

# FINANCIAL REPORTS

1996 France mission from Bides  
from Admin File  
YREND Financial Rpts

	<u>US</u>	<u>UK</u>	<u>FR</u>	<u>GY</u>	<u>JN</u>
1997	✓	✓	✓	✓	✓
1998	✓	✓	✓	* <u>✓</u> * In US Books	✓
1999	✓	✓	<u>?</u>	* <u>✓</u> * In US Books	<u>DISSOLVED</u> 2/99
2000	<u>✓</u>	<u>N/A</u> DISSOLVED 11/2000 Closed business 4/30/00	<u>N/A</u> DISSOLVED 8/31/99	<u>XX</u> Filed in US Books (Closed out)	



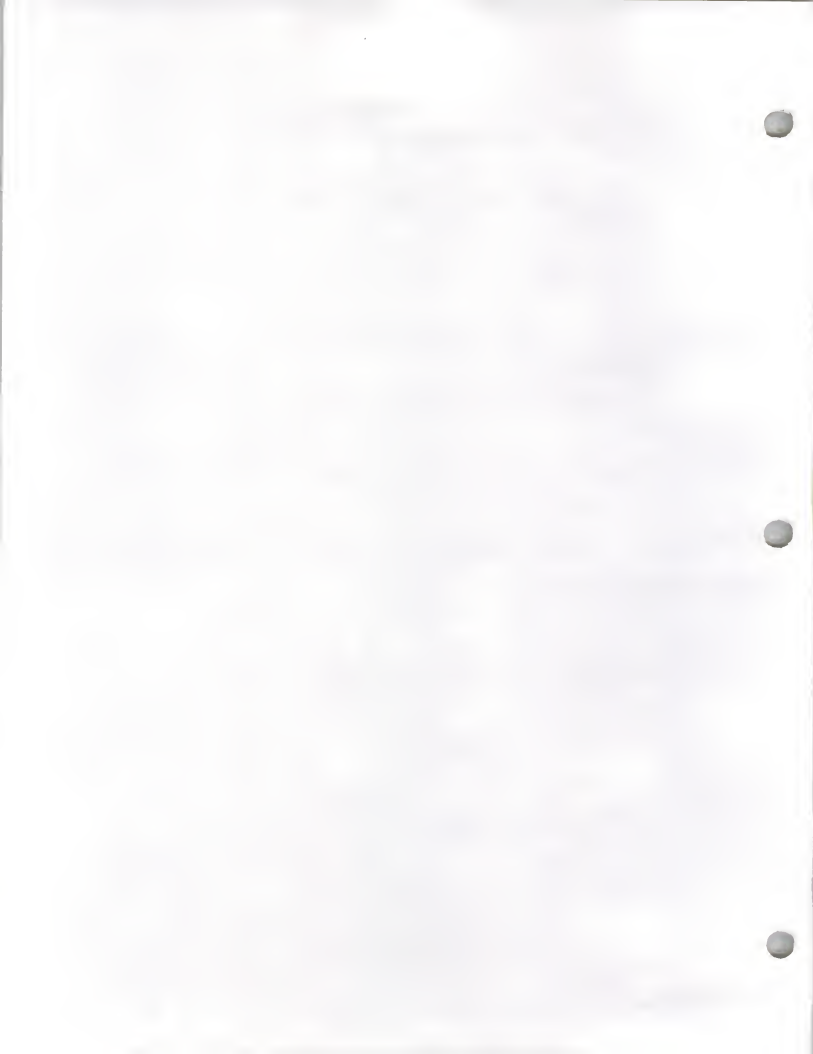
INPUT<sup>®</sup> Consolidated  
FINANCIAL STATEMENTS  
Years Ended  
December 31, 1994 and 1993





INPUT  
CONSOLIDATED STATEMENT OF OPERATIONS  
Years ended December 31, 1994 and 1993

	<u>1994</u>	<u>1993</u>
REVENUES	\$ 7,039,430	\$ 6,605,440
EXPENSES:		
Salaries, wages, fringe benefits and consulting fees	3,888,701	3,879,821
Facilities, communications and other costs	<u>3,004,011</u>	<u>2,872,966</u>
	<u>6,892,712</u>	<u>6,752,787</u>
INCOME (LOSS) FROM OPERATIONS	146,718	(147,347)
INTEREST & OTHER INCOME (EXPENSES), NET	<u>5,521</u>	<u>(240)</u>
INCOME (LOSS) BEFORE TAXES	152,239	(147,587)
TAX PROVISION	<u>30,500</u>	<u>21,734</u>
NET INCOME (LOSS)	<u>\$ 121,739</u>	<u>\$ (169,321)</u>

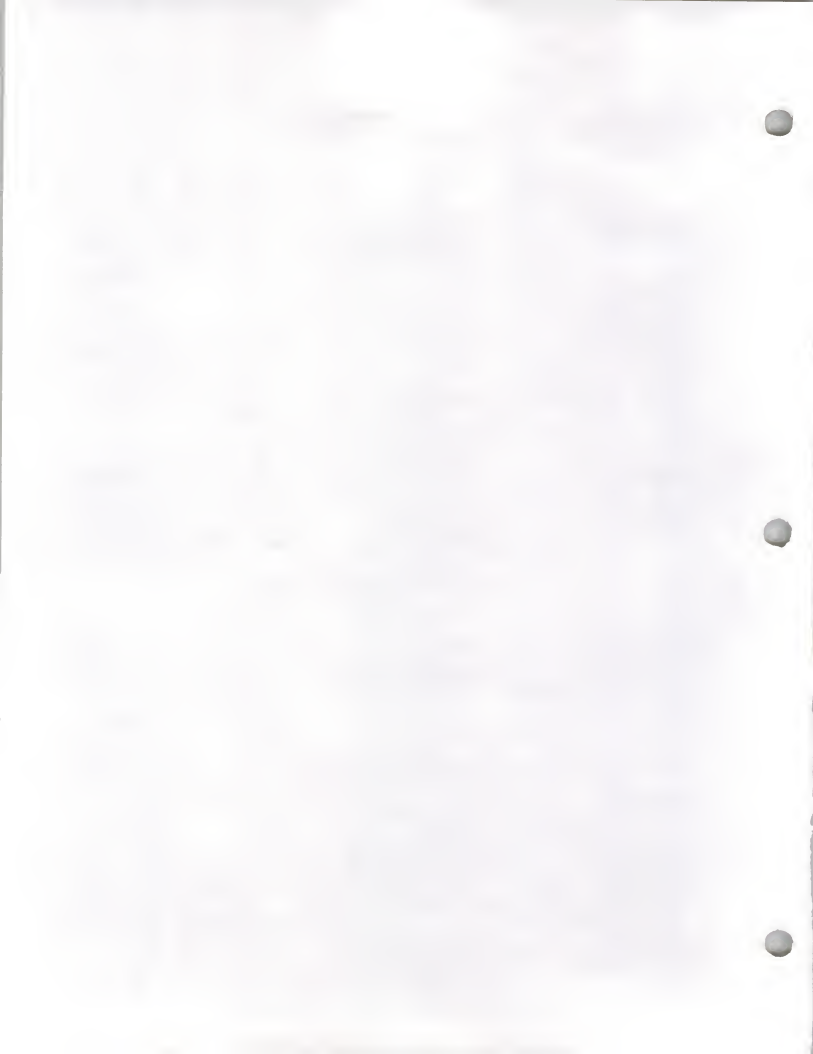


INPUT  
CONSOLIDATED BALANCE SHEET  
As of December 31, 1994 and 1993

	<u>1994</u>	<u>1993</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 197,345	\$ 93,094
Short-term investments(includes collateral of \$300,000 for bank line of credit)	315,000	300,000
Accounts receivable, net of allowance for doubtful accounts of \$19,946 (\$1,125 in 1993)	2,019,920	1,727,928
Income tax receivable	0	14,575
Prepaid expenses	<u>246,273</u>	<u>81,776</u>
TOTAL CURRENT ASSETS	2,778,538	2,217,373
PROPERTY & EQUIPMENT:		
Furniture and fixtures	211,849	189,497
Office equipment	846,581	771,852
Leasehold improvements	<u>29,680</u>	<u>20,318</u>
	1,088,110	981,667
Accumulated depreciation	<u>(875,045)</u>	<u>(802,149)</u>
TOTAL PROPERTY & EQUIPMENT	213,065	179,518
DEPOSITS	<u>82,425</u>	<u>108,614</u>
	<u>\$ 3,074,028</u>	<u>\$ 2,505,505</u>

LIABILITIES AND NET CAPITAL DEFICIENCY

CURRENT LIABILITIES:		
Accounts payable	\$ 268,861	\$ 249,382
Borrowings under bank line of credit	250,000	170,000
Accrued liabilities	641,765	418,082
Obligations under capital leases due within one year	17,705	20,217
Income taxes payable	5,000	0
Deferred revenue	<u>2,383,652</u>	<u>2,220,514</u>
TOTAL CURRENT LIABILITIES	3,566,983	3,078,195
OBLIGATIONS UNDER CAPITAL LEASES DUE AFTER ONE YEAR	18,611	18,406
COMMITMENTS		
NET CAPITAL DEFICIENCY:		
Common stock, no par value: 75,000,000 share authorized, 841,500 shares issued and outstanding in 1994 (842,000 in 1993)	61,375	61,775
Accumulated deficit	(550,098)	(671,837)
Cumulative translation adjustment	<u>(22,843)</u>	<u>18,966</u>
TOTAL NET CAPITAL DEFICIENCY	<u>(511,566)</u>	<u>(591,096)</u>
	<u>\$ 3,074,028</u>	<u>\$ 2,505,505</u>



INPUT  
CONSOLIDATED STATEMENT OF NET CAPITAL DEFICIENCY  
Years ended December 31, 1994 and 1993

	<u>Common stock</u>				
	<u>Number of shares issued and outstanding</u>	<u>Amount</u>	<u>Accumulated deficit</u>	<u>Cumulative translation adjustment</u>	<u>Net capital deficiency</u>
Balance at December 31, 1992	860,000	\$ 68,975	\$ (502,516)	\$ 21,389	\$ (412,152)
Issuance of common stock	12,500	8,000			8,000
Repurchase of common stock	(30,500)	(15,200)			(15,200)
Accumulated translation adjustment for the year				(2,423)	(2,423)
Net Income (Loss)			(169,321)		(169,321)
Balance at December 31, 1993	<u>\$ 842,000</u>	<u>\$ 61,715</u>	<u>\$ (671,837)</u>	<u>\$ 18,966</u>	<u>\$ (591,096)</u>
Issuance of common stock					
Repurchase of common stock	(500)	(400)			(400)
Accumulated translation adjustment for the year				(41,809)	(41,809)
Net Income			121,739		121,739
Balance at December 31, 1994	<u>841,500</u>	<u>\$ 61,375</u>	<u>\$ (550,098)</u>	<u>\$ (22,843)</u>	<u>\$ (511,566)</u>



INPUT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 1994

LEASES

The following is a schedule of future minimum lease and non-cancelable operating leases (with initial or remaining terms in excess of one year) as of December 31, 1994:

	<u>Capitalized leases</u>	<u>Operating leases</u>
Fiscal year:		
1995	\$ 19,592	\$ 440,776
1996	10,983	365,529
1997	6,650	375,867
1998	3,879	383,982
1999		392,132
	<hr/>	<hr/>
Total minimum lease payments	41,104	\$ 1,958,286
Less : Amount representing interest	<u>(8,046)</u>	
Present value of minimum lease payments	33,058	
Less: Current portion	<u>(14,447)</u>	
Non current portion	\$ <u>18,611</u>	

INCENTIVE STOCK OPTION PLAN

The Company has an incentive stock option plan which provides for the issuance of up to 160,000 shares on common stock to eligible employees.

Options may be granted at prices to be determined by the Board of Directors (but not less than the fair value of the stock at the date of grant). Options are exercisable immediately upon grant. Stock issued upon exercise is subject to certain repurchase rights by the Company in the event of termination of employment. At December 31, 1994, all shares under this plan are subject to repurchase.





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1994 - INPUT STOCK OUTSTANDING

NAME	DATE	CERT.#	Purch	12/31/93	3/31/94	6/30/94	9/30/94	12/31/94
			Price					
CUNNINGHAM	02/03/77	7,8	\$0.03	752,500	752,500	752,500	752,500	752,500
GOLDSTEIN	11/30/79	15	\$0.075	10,000	10,000	10,000	10,000	10,000
BRYANT	12/10/86	54	\$0.25	20,000	20,000	20,000	20,000	20,000
MILLAR	06/15/90	71	\$0.80	10,000	10,000	10,000	10,000	10,000
WILLIAMS	06/15/90	72	\$0.80	10,000	10,000	10,000	10,000	10,000
EXECUTIVE				802,500	802,500	802,500	802,500	802,500
BLACK	10/04/84	34	\$0.25	500	T. 1/94	T. 1/94	T. 1/94	T. 1/94
COLLINS	01/01/85	46	\$0.25	500	500	500	500	500
FENSTERMAKER	10/04/84	35	\$0.25	500	500	500	500	500
GALVAN	10/04/84	36	\$0.25	500	500	500	500	500
LINES	09/19/88	63	\$0.60	500	500	500	500	500
JOHNSON(MERCER)	10/04/84	39	\$0.25	500	500	500	500	500
PARKS	03/05/90	70	\$0.80	500	500	500	500	500
BONUS PLAN				3,500	3,000	3,000	3,000	3,000
BENECH	04/01/93	77	\$0.80	2,500	2,500	2,500	2,500	2,500
COLLINS	01/06/89	66	\$0.60	2,500	2,500	2,500	2,500	2,500
GALVAN	03/25/87	58	\$0.25	500	500	500	500	500
LEWIS	04/19/91	74	\$0.80	2,500	2,500	2,500	2,500	2,500
LINES	01/05/93	76	\$0.60	10,000	10,000	10,000	10,000	10,000
1982/93 OPTION PLANS				18,000	18,000	18,000	18,000	18,000
METZ	04/29/83	44	\$0.25	18,000	18,000	18,000	18,000	18,000
EX EE'S				18,000	18,000	18,000	18,000	18,000
TOTAL OUTSTANDING				842,000	841,500	841,500	841,500	841,500



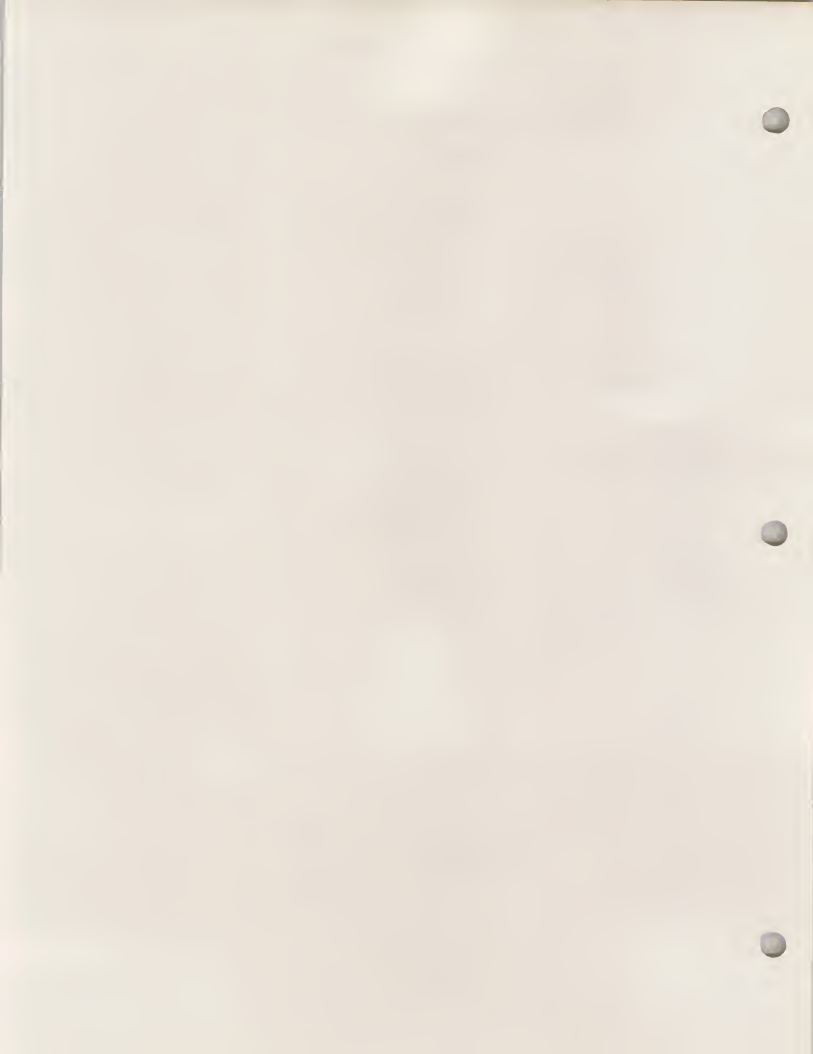
## INPUT STOCKHOLDER/STOCK OPTION HOLDER LIST

@ 12/31/94

	SHARES		OPTIONS	TOTAL	
Peter & Pat Cunningham	752,500	89%	0	752,500	85%
Bernard Goldstein	10,000	1%	0	10,000	1%
William Bryant	20,000	2%	0	20,000	2%
Sylvie Benech	2,500	0%	0	2,500	0%
Sheila Collins	3,000	0%	2,000	5,000	1%
Robert Deller	0	0%	10000	10,000	1%
Renee Fenstermaker	500	0%	0	500	0%
Teryc Galvan	1,000	0%	0	1,000	0%
Robert Goodwin	0	0%	10,000	10,000	1%
Tetsuo Imai	0	0%	10,000	10,000	1%
Anne Johnson (Mercer)	500	0%	0	500	0%
Scott Lewis	2,500	0%	0	2,500	0%
Peter Lines	10,500	1%	0	10,500	1%
Edward Metz	18,000	2%	0	18,000	2%
Victor Millar	10,000	1%	0	10,000	1%
Tom O'Flaherty	0	0%	10,000	10,000	1%
Judy Parks	500	0%	0	500	0%
Frank Solbach	0	0%	2,500	2,500	0%
Sterling Williams	10,000	1%	0	10,000	1%
<b>TOTAL</b>	<b>841,500</b>	<b>100%</b>	<b>44,500</b>	<b>886,000</b>	<b>100%</b>

## OPTION PLAN:

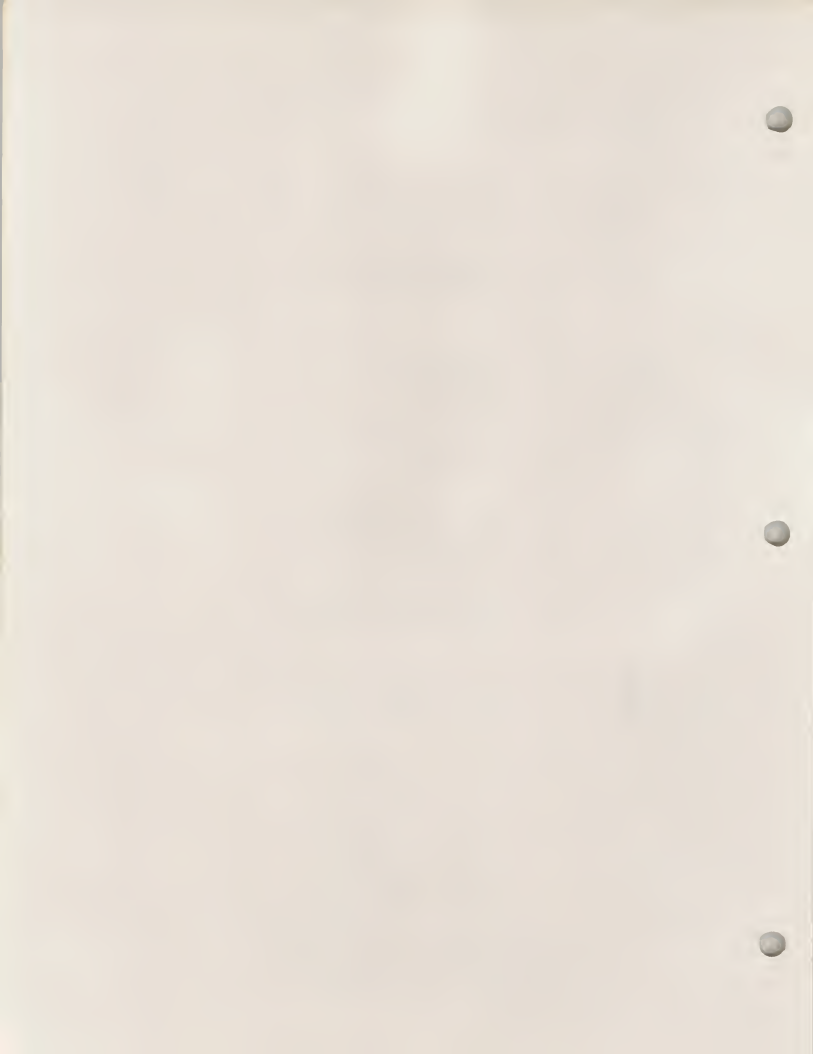
Total Options In Plan:	160,000
Current Price since 1/25/89 =	80c
Cummulative Options Purchased:	18,000
Options Outstanding:	44,500
Options Available:	<u>97,500</u>
Total:	<u>160,000</u>



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CONSOLIDATED STATEMENT OF OPERATIONS  
Year ended December 31, 1994

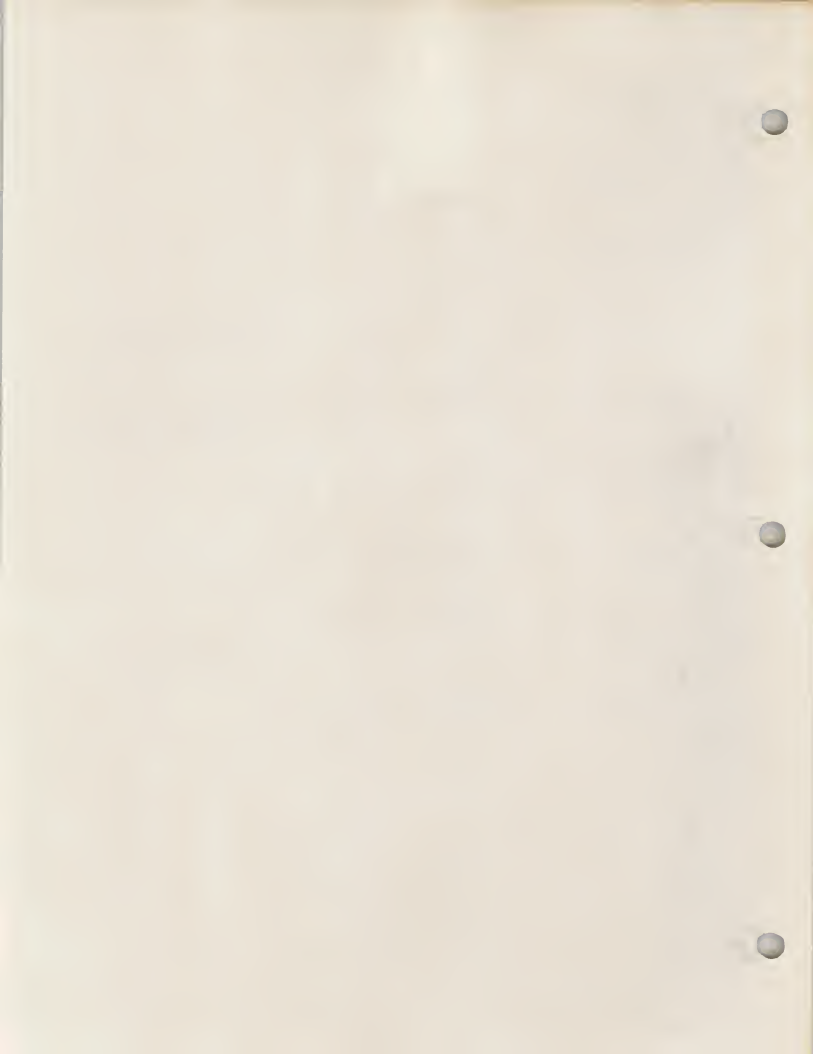
	COMMERCIAL U.S.	CUSTOM U.S.	FEDERAL U.S.	ENGLAND	GERMANY	FRANCE	JAPAN	TOTAL
REVENUES	\$ 2,087,385	\$ 646,987	\$ 1,899,295	\$ 1,267,427	\$ 398,455	\$ 428,994	\$ 310,887	\$ 7,039,430
EXPENSES:								
Salaries, wages, fringe benefits and consulting fees	1,316,501	348,242	956,748	597,210	190,189	239,946	239,865	3,888,701
Facilities, communications and other costs	<u>1,045,138</u>	<u>254,226</u>	<u>618,374</u>	<u>615,329</u>	<u>173,818</u>	<u>92,206</u>	<u>204,920</u>	<u>3,004,011</u>
	<u>2,361,639</u>	<u>602,468</u>	<u>1,575,122</u>	<u>1,212,539</u>	<u>364,007</u>	<u>332,152</u>	<u>444,785</u>	<u>6,892,712</u>
INCOME (LOSS) FROM OPERATIONS	(274,254)	44,519	324,173	54,888	34,448	96,842	(133,898)	146,718
INTEREST & OTHER INCOME (EXPENSES), NET	<u>10,605</u>	<u>(2,125)</u>	<u>(1,860)</u>	<u>(283)</u>	<u>0</u>	<u>(816)</u>	<u>0</u>	<u>5,521</u>
INCOME (LOSS) BEFORE TAXES	(263,649)	42,394	322,313	54,605	34,448	96,026	(133,898)	152,239
TAX PROVISION	<u>2,500</u>	<u>2,000</u>	<u>16,000</u>	<u>8,000</u>	<u>0</u>	<u>2,000</u>	<u>0</u>	<u>30,500</u>
NET INCOME (LOSS)	\$ <u>(266,149)</u>	\$ <u>40,394</u>	\$ <u>306,313</u>	\$ <u>46,605</u>	\$ <u>34,448</u>	\$ <u>94,026</u>	\$ <u>(133,898)</u>	\$ <u>121,739</u>

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INPUT CONSOLIDATED  
PROFIT & LOSS - CONSOLIDATED  
FOR PERIOD ENDING DECEMBER 31 ST.1994

UNIT		Actual Pre - Audit (\$000' S)	Final (\$000' S)
US COMMERCIAL	Revenue	2088	2087
	Expense	2349	2353
	Profit	-261	-266
US CUSTOM	Revenue	647	647
	Expense	612	607
	Profit	35	40
FEDERAL	Revenue	1885	1899 Advanced Orders not picked up in Pre-audit revenue calculation
	Expense	1615	1593 Adjustment to accruals- Data Processing and other expenses
	Profit	270	306
ENGLAND	Revenue	1351	1267 Currency adj \$1.6 = 1 pd stg used Final \$1.53 = 1pd stg
	Expense	1352	1220 Currency Adjstment,Accrual adjustments for Direct Mktg,Telephone and other expenses
	Profit	-1	47
GERMANY	Revenue	368	398
	Expense	332	364
	Profit	36	34
FRANCE	Revenue	376	429 Currency adj FF6.0 =\$1 3qtrs,FF5.0 =\$1 1qtr Final FF5.3 = \$1
	Expense	323	335 Currency Adj.and Accrual adjustment
	Profit	53	94
JAPAN	Revenue	339	311 Currency adjustment
	Expense	452	445 Currency adjustment, also final expense adjustments
	Profit	-113	-134
TOTAL	Revenue	7054	7038
	Expense	7035	6917
	Profit t	19	121





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BOARD OF DIRECTORS

MARCH 1994

**Peter A. Cunningham:**

Address:  
Telephone:  
Birthdate:  
Occupation:

Chairman of the Board, Director  
967 Continental Drive, Menlo Park, CA 94025  
415-854-1491  
July 13, 1941  
President  
INPUT  
1881 Landings Drive  
Mountain View, CA 94043  
415-961-3300

**Patricia Cunningham:**

Address:  
  
Telephone:  
Birthdate:  
Occupation:

Secretary, Treasurer, Director  
967 Continental Drive  
Menlo Park, CA 94025  
415-854-1491  
February 15, 1945  
Vice President  
INPUT  
1881 Landings Drive  
Mountain View, CA 94043  
415-961-3300

**William H. Bryant:**

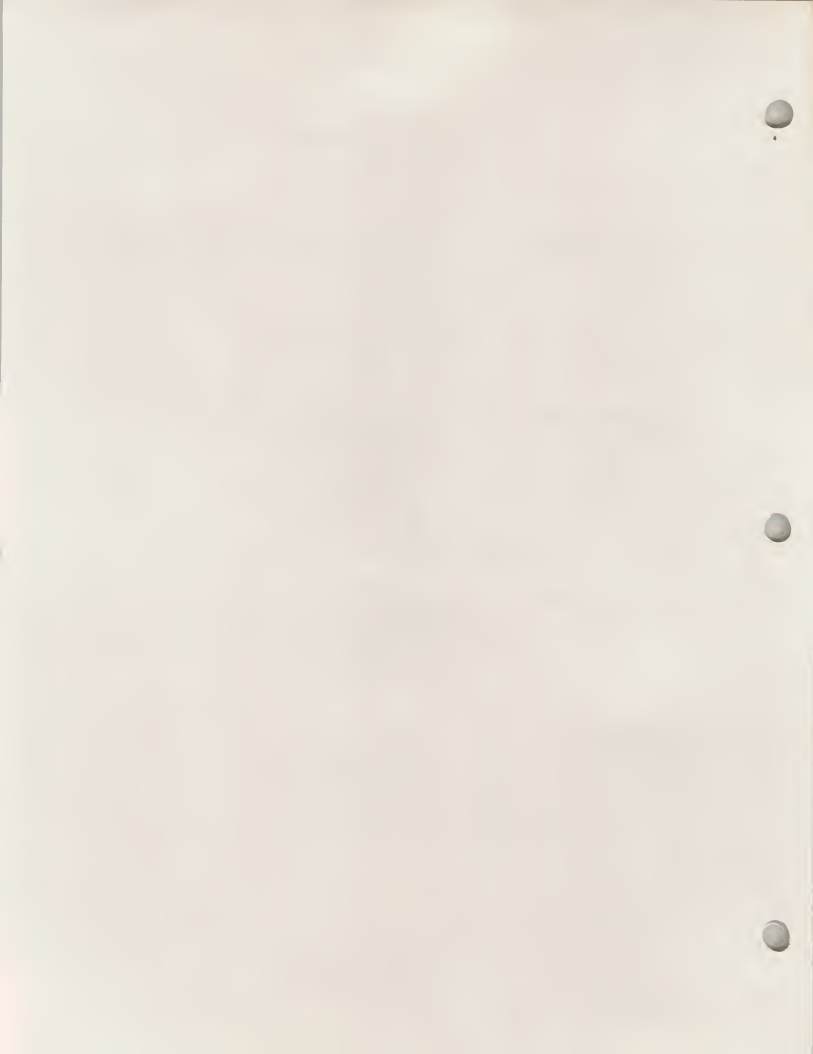
Occupation:

Director  
Attorney  
Bryant, Clohan, Ott, & Baruh  
550 Hamilton Avenue  
Suite 220  
Palo Alto, CA 94301  
415-324-1606

**Sterling Williams:**

Occupation:

Director  
President & CEO  
Sterling Software  
8080 N. Central Expressway  
Suite 1100, LB53  
Dallas, TX 75206  
214-891-8601



**INPUT**  
**COMPANY OFFICERS**

**MARCH 1994**

**Peter A. Cunningham**

Address:

Telephone:

Birthdate:

Occupation:

President

967 Continental Drive, Menlo Park, CA 94025

415-854-1491

July 13, 1941

President

INPUT

1881 Landings Drive

Mountain View, CA 94043

415-961-3300

**Patricia Cunningham**

Address:

Telephone:

Birthdate:

Occupation:

Vice President

967 Continental Drive, Menlo Park, CA 94025

415-854-1491

February 15, 1945

Vice President

INPUT

1881 Landings Drive

Mountain View, CA 94043

415-961-3300

**Robert Deller**

Address:

Telephone:

Birthdate:

Occupation:

Vice President

5447 Chevy Chase Parkway, N.W.

Washington, D.C. 20015

(202) 966-6523

September 28, 1937

Vice President

INPUT

1953 Gallows Drive, Suite 560

Vienna, VA 22182

(703) 847-6870

**Robert L. Goodwin**

Address:

Telephone:

Birthdate:

Occupation:

Vice President

6363 Christie Avenue, #2407

Emeryville, CA 94608

(510) 654-9554

July 19, 1935

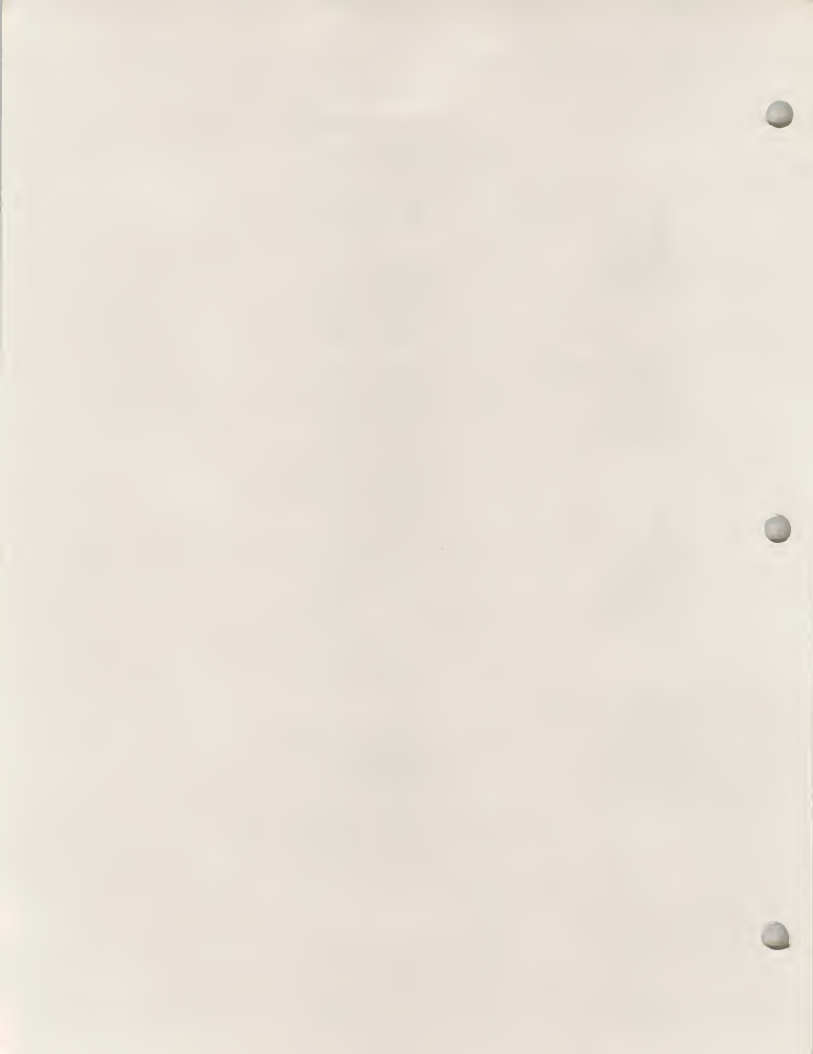
Vice President

INPUT

1881 Landings Drive

Mountain View, CA 94043

(415) 961-3300



**Peter Lines:**

Address:

Telephone:

Birthdate:

Occupation:

Vice President

32 Lawn Crescent, Kew Gardens, Richmond,  
TW9 3NS

081-940-3227

June 5, 1944

Managing Director

INPUT, Ltd.

17 Hill Street, Mayfair,

London SW1Y 4NF

011-44-71-493-9335

**Tom O'Flaherty**

Address:

Telephone:

Birthdate:

Occupation:

Vice President

411 West End Avenue, #2B, New York, NY  
10024

212-496-8501

April 14, 1940

Vice President

INPUT

The Atrium at Glenpointe

400 Frank W. Burr Blvd.

Teaneck, NJ 07666

201-801-0050

**John E. Reichmuth**

Address:

Telephone:

Birthdate:

Occupation:

Vice President

240 Highland Avenue

San Carlos, CA 94070

(415) 592-1592

June 2, 1950

Vice President

INPUT

1881 Landings Drive

Mountain View, CA 94043

(415) 961-3300



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# INPUT Limited

## Report and Accounts

31 December 1994





# INPUT Limited

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Registered No. 1470416

## DIRECTORS

P A Cunningham  
P E Cunningham  
P Lines

(Chairman)

## SECRETARY

P E Cunningham

## AUDITORS

Ernst & Young  
Apex Plaza  
Reading  
RG1 1YE

## REGISTERED OFFICE

Rolls House  
7 Rolls Buildings  
Fetter Lane  
London EC4A 1NH



# INPUT Limited

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1994.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £172,711 (1993: loss £155,295) and has been transferred to reserves.

The directors do not recommend the payment of a dividend.

### PRINCIPAL ACTIVITIES

The company's principal activity is to provide market research and consultancy on the information services industry.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Turnover has increased by 29% to £1,082,013. The directors look forward to continued growth in the coming year, and are confident that the company is well placed to exploit the opportunities arising.

### DIRECTORS AND THEIR INTERESTS

The directors of the company are listed on page 1. Their interests in the share capital of the company are as follows:

	<i>At 31 December 1994 Ordinary shares</i>	<i>At 1 January 1994 Ordinary shares</i>
P A Cunningham	1	1
P E Cunningham	-	-
P Lines	-	-

P A Cunningham is interested in the whole of the company's share capital which is owned by INPUT, a US incorporated company over which he has control.

### AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board

P A Cunningham

Director



## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**REPORT OF THE AUDITORS**  
to the members of INPUT Limited

We have audited the accounts on pages 5 to 12, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young  
Chartered Accountants  
Registered Auditor  
Reading  
23 October 1995





# INPUT Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 1994

	Notes	1994 £	1993 £
TURNOVER	2	1,082,013	840,935
Staff costs	4	431,629	384,762
Depreciation		8,679	8,101
Other operating charges		466,974	610,920
		907,282	1,003,783
OPERATING PROFIT/(LOSS)	3	174,731	(162,848)
Interest payable	5	(184)	(63)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		174,547	(162,911)
Tax on profit/(loss) on ordinary activities	6	(1,836)	7,616
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		172,711	(155,295)
RETAINED (LOSS)/PROFIT BROUGHT FORWARD		(125,142)	30,153
RETAINED PROFIT/(LOSS) CARRIED FORWARD		47,569	(125,142)

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £172,711 in the year ended 31 December 1994 and the loss of £155,295 in the year ended 31 December 1993.



# INPUT Limited

## NOTES TO THE ACCOUNTS

at 31 December 1994

	Notes	1994 £	1993 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	37,171	21,977
<b>CURRENT ASSETS</b>			
Debtors	8	499,208	144,431
Cash at bank and in hand		87,495	8,314
		586,703	152,745
<b>CREDITORS: amounts falling due within one year</b>	9	569,225	292,784
<b>NET CURRENT (LIABILITIES)</b>		17,478	(140,039)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		54,649	(118,062)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2	2
Share premium account	12	7,078	7,078
Profit and loss account		47,569	(125,142)
		54,649	(118,062)

Approved by the board on 19 October 1995

P A Cunningham

) Director



## NOTES TO THE ACCOUNTS

at 31 December 1994

### 1. ACCOUNTING POLICIES

#### *Basis of preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *Deferred taxation*

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

#### *Foreign currencies*

Receivables and payables denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

#### *Deferred revenue*

The estimated proportion of income invoiced but relating to the following year is carried forward as deferred revenue.

#### *Depreciation*

Depreciation is provided on all the tangible fixed assets using the straight line basis method, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Leasehold improvement	-	Life of the lease
Office equipment	-	5 years
Computer equipment/software	-	3 years

#### *Leasing and hire purchase commitments*

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.



# INPUT Limited

## NOTES TO THE ACCOUNTS

at 31 December 1994

### 2. TURNOVER

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax. The turnover and pre-tax profit is attributable to one activity, the provision of market research and consultancy on the information services industry

An analysis of turnover by geographical market is given below:

	1994 £	1993 £
United States	78,091	115,185
Continental Europe	742,775	519,759
United Kingdom	261,147	205,991
	<u>1,082,013</u>	<u>840,935</u>

### 3. OPERATING PROFIT/(LOSS)

(a) This is stated after charging:

	1994 £	1993 £
Directors' remuneration (see below)	55,720	48,720
Auditors' remuneration	4,700	4,675
Hire of plant and machinery	1,151	17,874
Doubtful debt expense	13,719	118,725
Depreciation	8,679	8,101
	<u></u>	<u></u>

(b) Directors' remuneration:

Other emoluments (including pension contributions)	<u>55,720</u>	<u>48,720</u>
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# INPUT Limited

## NOTES TO THE ACCOUNTS

at 31 December 1994

### 3. OPERATING PROFIT/(LOSS) (continued)

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1994 No.	1993 No.
£nil – £5,000	2	2
£10,001 – £15,000	-	-
£45,001 – £50,000	-	1
£50,001 – £55,000	1	-

The emoluments, excluding pension contributions, of the chairman and highest paid director were £nil (1993 – £nil) and £55,000 (1993 – £48,000) respectively.

### 4. STAFF COSTS

	1994 £	1993 £
Wages and salaries	389,318	351,529
Social security costs	42,311	33,233
	<u>431,629</u>	<u>384,762</u>

The average weekly number of employees during the year was made up as follows:

	1994 No.	1993 No.
Office and management	<u>11</u>	<u>9</u>

### 5. INTEREST PAYABLE

	1994 £	1993 £
Bank overdraft	<u>184</u>	<u>63</u>



# INPUT Limited

## NOTES TO THE ACCOUNTS

at 31 December 1994

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1994 £	1993 £
Based on profit for the year:		
Corporation tax 25%	1,836	-
Overprovision in previous year	-	(7,616)
	<u>1,836</u>	<u>(7,616)</u>

### 7. FIXED ASSETS

	Leasehold improvement £	Fixtures & Fittings £	Computer Software	Total
Cost:				
At 1 January 1994	-	43,332	11,440	54,772
Additions	6,000	15,140	2,733	23,873
At 31 December 1994	<u>6,000</u>	<u>58,472</u>	<u>14,173</u>	<u>78,645</u>
Accumulated depreciation:				
At 1 January 1994	-	22,905	9,890	32,795
Charge for the year	53	7,105	1,521	8,679
At 31 December 1994	<u>53</u>	<u>30,010</u>	<u>11,411</u>	<u>41,474</u>
Net book value:				
At 31 December 1994	<u>5,947</u>	<u>28,462</u>	<u>2,762</u>	<u>37,171</u>
At 31 December 1993	<u>-</u>	<u>20,427</u>	<u>1,550</u>	<u>21,977</u>



# INPUT Limited

## NOTES TO THE ACCOUNTS

at 31 December 1994

### 8. DEBTORS

	1994 £	1993 £
Trade debtors	177,204	117,922
Amount due from associated undertakings	204,912	-
Prepayments and accrued income	104,742	6,260
Deposits	12,350	12,350
Corporation tax	-	7,899
	<u>499,208</u>	<u>144,431</u>

Included in prepayments is an amount of £38,562 which is due after more than one year (1993 - £Nil).

The deposits include a single deposit of £12,250 which was paid in connection with the short leasehold entered into during 1992.

### 9. CREDITORS: amounts falling due within one year

	1994 £	1993 £
Bank overdraft	18,037	8,447
Corporation tax	1,836	-
Payable to parent undertaking	83,394	-
Deferred revenue	381,611	216,202
Trade creditors	22,908	19,043
Other taxes and social security costs	27,155	13,012
Accruals	34,284	36,080
	<u>569,225</u>	<u>292,784</u>



# INPUT Limited

## NOTES TO THE ACCOUNTS

at 31 December 1994

### 10. DEFERRED TAXATION

As at 31 December 1994 no provision for deferred taxation has been made and there are no unprovided amounts.

### 11. SHARE CAPITAL

	<i>1994</i>	<i>Authorised</i>	<i>Allotted, called up</i>	<i>and fully paid</i>
	<i>No.</i>	<i>1993</i>	<i>1994</i>	<i>1993</i>
		<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	100	100	2	2

The parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the company is a member is INPUT, incorporated in the United States of America. INPUT is also the ultimate parent company.

Copies of INPUT's accounts can be obtained from INPUT, 1280 Villa Street, Mountain View, CA 94041.

### 12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share</i>	<i>Share</i>	<i>Profit and</i>	<i>Total</i>
	<i>Capital</i>	<i>Premium</i>	<i>loss account</i>	
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
At 1 January 1993	2	7,078	30,153	37,233
Loss for the year	-	-	(155,295)	(155,295)
At 1 January 1994	2	7,078	(125,142)	(118,062)
Profit for the year	-	-	172,711	174,547
At 31 December 1994	2	7,078	47,569	54,649





NOTES TO THE ACCOUNTS

at 31 December 1994

13. OTHER FINANCIAL COMMITMENTS

At 31 December 1994 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>1994</i>	<i>1993</i>
	<i>£</i>	<i>£</i>
Operating leases which expire:		
within one year	-	54,250
within two-five years	61,930	-
	<u>61,930</u>	<u>54,250</u>



## INPUT Limited

# DETAILED PROFIT AND LOSS ACCOUNT for the year ended 31 December 1994

	1994 £	1993 £
Sales	1,082,013	840,935
<b>EXPENSES</b>		
Salaries	378,610	348,132
Commissions – salesmen	43,787	28,705
Consultancy	148,917	118,063
Medical and life insurance	9,232	4,225
Supplies	33,797	21,005
Printing	58,245	47,676
Postage	36,766	44,675
Subscriptions	6,991	6,638
Equipment rental	1,151	17,874
Rent and rates	62,392	52,361
Depreciation	8,679	8,101
Telephone	41,556	38,120
Advertising and marketing	29,964	22,260
Legal and professional	27,228	35,925
Data processing	6,774	6,282
Travel and subsistence	76,163	58,529
Recruiting and training	11,069	2,149
Insurance	3,825	6,535
Exchange loss/(profit)	25,879	(6,591)
Brochures and literature	(4,203)	12,512
Bad debts recovered	-	(4,414)
Other services	4,308	2,999
Equipment maintenance	1,158	115
Doubtful debt expense	(105,006)	118,725
	907,282	1,003,783
Trading profit/(loss) for the year	174,731	(162,848)
<b>OTHER INCOME/(EXPENDITURE)</b>		
Interest payable	(184)	(63)
Net profit/(loss) for the year	174,547	(162,911)









## Audit Expertise Services

### COMPTE RENDU DE TRAVAUX

Dans le cadre de la mission d'établissement des comptes annuels de la SARL INPUT pour l'exercice du 1er janvier 1994 au 31 décembre 1994, et conformément aux termes de notre lettre de mission en date du 9 mai 1994, nous avons effectué les diligences que nous avions définies d'un commun accord et nous avons respecté les normes générales de l'Ordre des Experts Comptables.

Je vous rappelle que la présente mission n'entre pas dans le champ d'application des normes de présentation, examen ou audit des comptes.

Les Comptes Annuels ci-joints, qui se caractérisent par les données suivantes :

- Total du bilan....	<i>Assets/Liabilities</i>	.....	FF. 1.946.451.
- Chiffre d'affaires.....	<i>Sale. OR. PERS</i>	.....	FF. 4.023.636.
- Résultat net comptable..	<i>Net Income</i>	.....	FF. 683.974.

ont été établis à partir des informations communiquées par l'entreprise.

J'ai à faire les observations suivantes :

- les écarts de conversion ne sont pas enregistrés,
- le crédit-bail relatif à un photocopieur a été enregistré en immobilisation.

Fait à Paris, le 5 juillet 1995  
Pour AUDIT EXPERTISE SERVICES

Christine COSTARD  
Expert Comptable, Associée





AUDIT EXPERTISE SERVICES	SARL INPUT Etats financiers au 31/12/94	Page 2
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## BILAN ACTIF ASSETS

RUBRIQUES	Montant Brut	Amortissements	Net 31/12/94 [12]	Net 31/12/93 [12]
Capital souscrit non appelé				
IMMOBILISATIONS INCORPORELLES				
Frais d'établissement				
Frais de recherche et développement				
Concessions, brevets, droits similaires				
Fonds commercial				
Autres immobilisations incorporelles				
Avances, acomptes/immobil. incorpor.				
IMMOBILISATIONS CORPORELLES				
Terrains				
Constructions				
Installations techniques, outillage				
Autres immobilisations corporelles <i>fixed</i>	311 008	196 149	114 860	94 296
Immobilisations en cours				
Avances et acomptes				
IMMOBILISATIONS FINANCIERES				
Participations par M.E.				
Autres participations				
Créances rattachées à participations				
Autres titres immobilisés				
Prêts				
Autres immobilisations financières <i>Deposit</i>	31 662		31 662	31 411
ACTIF IMMOBILISE <i>SUB-T</i>	342 670	196 149	146 522	125 707
STOCKS ET EN-COURS				
Stocks de matières premières				
Stocks d'en-cours de production biens				
Stocks d'en-cours production services				
Stocks produits intermédiaires, finis				
Stocks de marchandises				
Avances, acomptes versés sur commandes				
CREANCES				
Créances clients et comptes rattachés <i>A/R</i>	1 667 161		1 667 161	753 893
Autres créances <i>VAT</i>	47 323		47 323	2 940 917
Capital souscrit, appelé non versé				
Valeurs mobilières de placement				
Disponibilités <i>Bank/Cash</i>	85 446		85 446	176 070
COMPTES DE REGULARISATION				
Charges constatées d'avance				
ACTIF CIRCULANT <i>SUB-T</i>	1 799 930		1 799 930	3 870 880
Charges à répartir s/plsrs exercices				
Primes remboursement des obligations				
Ecart de conversion actif				
TOTAL GENERAL <i>T</i>	2 142 600	196 149	1 946 451	3 996 587



AUDIT EXPERTISE SERVICES	SARL INPUT Etats financiers au 31/12/94	Page 3
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## BILAN PASSIF LIABILITIES

RUBRIQUES	31/12/94 [12]	31/12/93 [12]
Capital social ou individuel dont versé 50 000 <i>ShareCap</i>	50 000	50 000
Primes d'émission, de fusion, d'apport,...		
Ecart de réévaluation dont écart équivalence		
Réserve légale		
Réserves statutaires, contractuelles		
Réserves réglementées		
Autres réserves		
Report à nouveau		
RESULTAT DE L'EXERCICE <i>PRIOR RETAINED EARNINGS</i>	<96 175>	<517 025>
Subventions d'investissement <i>CURRENT PROFIT</i>	683 974	<479 150>
Provisions réglementées		
CAPITAUX PROPRES <i>NEQ NET WORTH</i>	<262 201>	<946 175>
Produits des émissions de titres participatifs		
Avances conditionnées		
AUTRES FONDS PROPRES		
Provisions pour risques		
Provisions pour charges		
PROVISIONS POUR RISQUES ET CHARGES		
DETTES FINANCIERES		
Emprunts obligataires convertibles		
Autres emprunts obligataires		
Emprunts et dettes auprès établissements de crédit		
Emprunts et dettes financières divers		
Avances et acomptes reçus sur commandes en cours		
DETTES D'EXPLOITATION <i>P.16</i>		
Dettes fournisseurs et comptes rattachés <i>A/P + INTERCO</i>	1 524 372	4 559 598
Dettes fiscales et sociales	565 679	323 164
DETTES DIVERSES		
Dettes sur immobilisations et comptes rattachés		
Autres dettes		
COMPTES DE REGULARISATION <i>DEFERRED REV.</i>		
Produits constatés d'avance	118 601	60 000
DETTES	2 208 652	4 942 762
Ecart de conversion passif		
TOTAL GENERAL	1 946 451	3 996 587

Résultat de l'exercice en centimes  
Total du bilan en centimes

683 973.88  
1 946 451.47



## COMPTE DE RESULTAT Première partie

INCOME STATEMENT

Ref. P.18

RUBRIQUES	France	Export	31/12/94 [12]	31/12/93 [12]
Ventes de marchandises				
Production vendue de biens				
Production vendue de services	3 899 124	124 512	4 023 636	2 882 275
CHIFFRES D'AFFAIRES NETS	3 899 124	124 512	4 023 636	2 882 275
Production stockée				
Production immobilisée				
Subventions d'exploitation				
Reprises amortissements-provis., transfert charges				
Autres produits			44 681	
— PRODUITS D'EXPLOITATION		REVENUES	4 068 316	2 882 275
Achats de marchandises [et droits de douane]				
Variation de stock de marchandises				
Achats matières premières et approvisionnements				
Variation de stock [matières premières, approvis.]				
Autres achats et charges externes			2 575 398	2 050 945
Impôts, taxes et versements assimilés			48 599	3 467
Salaires et traitements			907 372	669 147
Charges sociales			319 664	227 210
Dotations amortissements sur immobilisations			39 265	47 194
Dotations aux provisions sur immobilisations				
Dotations aux provisions sur actif circulant				
Dotations provisions pour risques et charges				
Autres charges				
— CHARGES D'EXPLOITATION		EXPENSES	3 890 298	2 997 963
RESULTAT D'EXPLOITATION			178 018	<115 688>
Bénéfice attribué ou Perte transférée				
Perte supportée ou Bénéfice transféré				
Produits financiers de participation				
Produits autres valeurs mobilières, créances immob.				
Autres intérêts et produits assimilés				
Reprises sur provisions et transferts de charges				
Différences positives de change			520 947	
Produits nets cession valeurs mobilières placement				
— PRODUITS FINANCIERS			520 947	
Dotations financières amortissements et provisions				
Intérêts et charges assimilés			4 492	3 568
Différences négatives de change				349 395
Charges nettes cession valeurs mobil. placement				
— CHARGES FINANCIERES			4 492	352 963
RESULTAT FINANCIER			516 455	<352 963>
RESULTAT COURANT AVANT IMPOTS			694 474	<468 650>



AUDIT EXPERTISE SERVICES	SARL INPUT Etats financiers au 31/12/94	Page 5
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## COMPTE DE RESULTAT Deuxième partie

RUBRIQUES	31/12/94 [12]	31/12/93 [12]
Produits exceptionnels sur opérations de gestion Produits exceptionnels sur opérations en capital Reprises sur provisions et transferts de charges		
— PRODUITS EXCEPTIONNELS —		
Charges exceptionnelles sur opérations de gestion Charges exceptionnelles sur opérations en capital Dotations exceptionnelles amortissements, provisions		
— CHARGES EXCEPTIONNELLES —		
<b>RESULTAT EXCEPTIONNEL</b>		
Participation salariés aux fruits de l'expansion Impôts sur les bénéfices	10 500	10 500
<b>TOTAL DES PRODUITS</b>	4 589 264	2 882 275
<b>TOTAL DES CHARGES</b>	3 905 290	3 361 425
<b>BENEFICE OU PERTE</b>	683 974	<479 150>









## Input Japan

Balance Sheet period ending  
December 31, 1994

ASSETS:	(YEN)
CASH	3879019
ACCTS RECEIVABLE	6224906
	-----
TOTAL ASSETS	10103925
	=====

LIABILITIES:	
INTERCO PAYABLE	42159122
ACCOUNTS PAYABLE	1771998
OTHER LIABILITIES	716277

TOTAL LIABILITIES	-----
	44647397

EQUITY	3000000
--------	---------

PRIOR YR LOSS	-23760569
CURR YR LOSS	-13782903

	-----
CUMULATIVE LOSS	-34543472
	-----

TOTAL LIABILITIES & EQUITY	10103925
	=====



BALANCE SHEET      December 31, 1994

(YEN)

ASSETS		LIABILITIES	
Item	Amount	Item	Amount
【Floating asset】	[10,103,925]	【Floating liabilities】	[42,241,054]
Cash	37,636	Accounts Payable	39,752,779
Current account	19,437	Unpaid Expenses	1,771,998
Ordinary deposit	474,412	Deposit received	716,277
Fixed deposit	3,347,534		
Accounts receivable	6,224,906	Total liabilities	42,241,054
		CAPITAL	
		【Capital】	[ 3,000,000]
		【 Loss 】	[35,137,129]
		Undisposed loss at the term-end (incl. loss for the current term)	35,137,129  (7,799,924)
		Total capital	-32,137,129
Total assets	10,103,925	Total of liabilities and capital	10,103,925

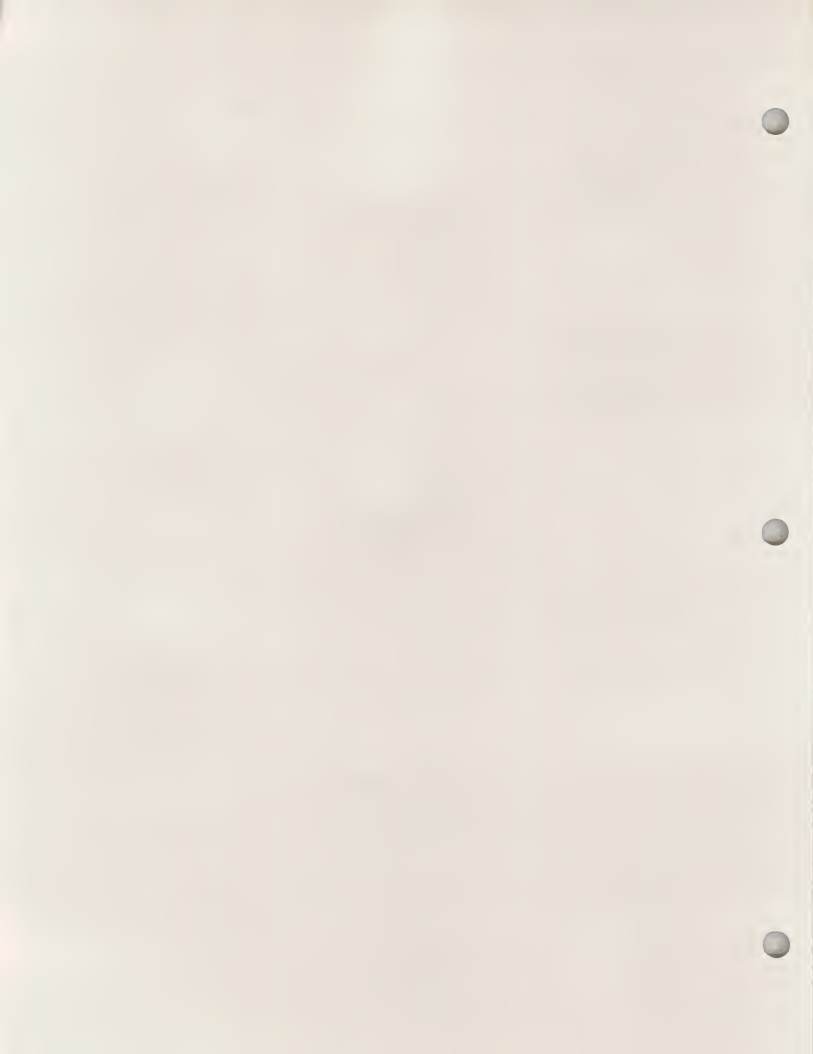


PROFIT / LOSS

1/1/94 - 12/31/94

(YEN)

Item	Amount	
(Profit / Loss)		
【Sales】 Sales	51,988,592	51,988,592
【Sales cost】 Sales cost	21,537,378	
Total sales cost	21,537,378	21,537,378
Gross profit		30,451,214
【Selling and administrative expenses】		38,327,942
Operating loss		7,876,728
【Profit out of operating】 Interest received	76,804	76,804
【Loss out of operating】		
Loss		7,799,924
Loss before tax		7,799,924
Loss		7,799,924
Loss brought forward from the previous year		27,337,205
Undisposed loss at the term-end		35,137,129





# SELLING AND ADMINISTRATIVE EXPENSES

1/1/1994 - 12/31/1994

(YEN)

Item	Amount
<b>【Personnel Expenses】</b>	
Salaries	21,283,013
Payroll Taxes	2,891,381
<b>【Expenses】</b>	
Postage	900,727
Travel	1,460,665
Telephone	649,446
Taxes	763,914
Supplies	489,734
Japanese Edition	428,414
Recruiting	71,997
Building Maintenance	21,012
Japanese Studies	216,790
Building Rent	2,666,543
Equipment Lease	1,227,348
Dues/subscriptions	141,404
Legal Services	108,396
Accounting Services	440,000
Other Services	211,325
Printing	438,884
Seminars	3,508,942
Miscellaneous	408,007
<b>Total</b>	<b>38,327,942</b>



決 算 ・ 報 告 書

第 6 期

自 平成 6 年 1 月 1 日

至 平成 6 年 12 月 31 日

インプット株式会社



## 貸 借 対 照 表

平成 6 年 12 月 31 日現在

資 産 の 部		負 債 の 部	
科 目	金 額	科 目	金 額
	円		円
【 流 動 資 産 】	[ 10,103,925]	【 流 動 負 債 】	[ 42,241,054]
現 金	37,636	買 掛 金	39,752,779
当 座 預 金	19,437	未 払 金	1,771,998
普 通 預 金	474,412	預 り 金	716,277
定 期 預 金	3,347,534	負 債 合 計	42,241,054
売 掛 金	6,224,906	資 本 の 部	
		【 資 本 金 】	[ 3,000,000]
		【 欠 損 金 】	[ 35,137,129]
		当期未処理損失	35,137,129
		(うち当期損失)	( 7,799,924)
		資 本 合 計	△ 32,137,129
資 産 合 計	10,103,925	負債・資本合計	10,103,925



## 損 益 計 算 書

自 平成 6 年 1 月 1 日  
至 平成 6 年 12 月 31 日

科 目	金 額	
(経常損益の部)	円	円
【 売 上 高 】		
売 上 高	51,988,592	51,988,592
【 売 上 原 価 】		
仕 入 高	21,537,378	
合 計	21,537,378	21,537,378
売 上 総 利 益		30,451,214
【 販売費及び一般管理費 】		38,327,942
営 業 損 失		7,876,728
【 営 業 外 収 益 】		
受 取 利 息	76,804	76,804
経 常 損 失		7,799,924
税引前当期損失		7,799,924
当 期 損 失		7,799,924
前 期 繰 越 損 失		27,337,205
当期末処理損失		35,137,129





インプット株式会社

## 販売費及び一般管理費

自 平成 6 年 1 月 1 日  
至 平成 6 年 12 月 31 日

科 目	金 額	円 円
【人 件 費】		
給 料 手 当	21,283,013	
社 会 保 険 料	2,891,381	24,174,394
【経 費】		
郵 便 料	900,727	
旅 費 交 際 費	1,460,665	
通 信 費	649,446	
租 税 公 課	763,914	
消 耗 品 費	489,734	
日 本 語 版 製 作 費	428,414	
求 人 費	71,997	
オ フ ィ ス メ ン テ	21,012	
調 査 製 作 費	216,790	
支 払 報 酬 3	211,325	
家 賃	2,666,543	
リ ー ス 料	1,227,348	
支 払 報 酬 2	440,000	
新 聞 図 書 費	141,404	
支 払 報 酬 1	108,396	
印 刷 費	438,884	
セ ミ ナ ー 費	3,508,942	
雑 費	408,007	14,153,548
合 計		38,327,942

円

92

78

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# 損失金処理計算書

科 目	金 額	
	円	円
当期末処理損失		35,137,129
次期繰越損失		35,137,129

上記の通り報告致します。

平成 7 年 2 月 25 日

インプット株式会社

代表取締役

今 井 哲 夫



**Contents:****Introduction****INPUT Europe****INPUT VA****INPUT US****INPUT Japan****Central Services****Corporate****Conclusion - INPUT 1996****Introduction**

1995 was a record year for INPUT in revenues (up 16%) and profit (up 335%), based on preliminary numbers. We did not achieve our objective of \$1 million profit but we took substantial steps towards it. 5 of our 7 units were profitable; this year all will be!

Equally important has been our progress towards a network of autonomous, interdependent units. This is our framework for expansion. We have succeeded geographically (where we do it): the next step is to apply the same philosophy to programs (what we do - our products) and processes (how we do it). For this we need to be network-centric. More on this later!

Let's look at our units starting East and working West.

**INPUT Europe**

Congratulations to Peter and his team for a magnificent performance in 1995. Revenues increased almost 50% and profits by 66% with a profit margin of almost 9%!

**INPUT Germany**

Wow! Frank and his team substantially beat their plan, more than doubled their revenues and profit and introduced a new DTS program. Plus they moved into new offices. This is now a fully functioning unit with enormous potential.

**INPUT France**

Sylvie and the Paris team had a magnificent year where they substantially beat their plan for revenues and profits, solidified their DTS program (which has both vendor and user clients) and positioned themselves for future domestic and international growth by establishing a sales force. Note that this is a very important step, moving from a single person dependency to an organized sales force.

They moved into new offices in 1995 and may well move again soon with their growth.



### INPUT England

This is the core of the European research and all 3 offices in Europe benefited greatly last year from a huge improvement in the staff and the work performed. As of the end of the year all 1995 research work had been done although not shipped. That's the next, crucial step. Support to the clients all over Europe improved substantially. The unit grew revenues by 25% and generated a small profit, despite a major relocation.

Since Germany, France and England are highly interdependent we look at the combined and individual unit performance. There is a very aggressive growth plan this year including the establishment of a presence in Italy. We should learn from the great emphasis that both Sylvie and Frank put on:

Dealing with the very top management of their clients and prospects, including the use of round table meetings.

Promotion to the media: in Germany last year we published a book on outsourcing with our largest client, while in France I had a TV appearance. In both countries we dominate the media on services matters.

### INPUT VA

This unit suffered some difficulties last year after a string of very good performances. Revenues increased slightly while expenses increased substantially in anticipation of growth so we went from a substantial profit in 1994 to break-even or even a small loss. Many of the units difficulties were related to a lack of structure and to major mistakes in the core data base development. Both these deficiencies have been corrected under the new management of Scott aided by Kevin. The unit also moved offices.

We have innovative data base and Internet distribution efforts underway that should be very attractive to the market. We expect a return to the historic growth and profitability of the unit.

### INPUT NJ

Custom revenues continued to decline in 1995, due to a basic lack of sales capacity. However the shortfall in revenues compared to 1994 was made up by the great performance that John and Tom achieved in the world wide banking study. This project broke new ground for us in many ways. It achieved a customer satisfaction rating of 4.2, a record I think for a project of this size.

The result was virtually flat revenues with a profit growth of 75% to reach a margin of over 10%.

This success in the banking study has caused a major change in the role of the NJ unit which will now focus on vertical and process oriented research on a worldwide and US basis. We now have two programs centered there and more will emerge.





It will continue to be our major custom center in the USA but California has now been freed up to do custom as well. NJ's new role is the most important one for the company.

#### INPUT CA

Well done Bob, Wilson and the California team! They beat their initial plan but more importantly were able to achieve a substantial profit after years of losses (profit margin reached nearly 10%). Revenues also grew again after shrinking last year.

We now have viable sales and research organizations and this unit is poised for dramatic growth this year. The quality of the work is excellent and we are beginning to see more integration of the research with that of other units. Now.....if we could only deliver on time!

Note that this unit now has staff in two and possibly three other geographic units. I expect that this model will be used more extensively by all units.

#### INPUT Japan

This unit continues to struggle. Management is a problem as the president of our Japanese company was encouraged to go and work full time for the company he had been working for clandestinely during the past several years. This was not a happy nor profitable experience. The unit's sales are covering expenses but have not contributed much to the producing units except recently in custom where Kosei seems to be having an impact. Yoshiko has been a stalwart in holding the unit together. We have moved into new, cheaper and better space.

I am encouraging the California unit in particular to interact with the Japanese office, prospects and clients in order to penetrate the market more effectively. With team work we can perform much better here.

This will be an area of focus for me this year.

#### INPUT Central Services

Distribution proceeds apace; production, accounting, order processing and labor/HR functions have been distributed to a greater or lesser extent. These projects have not always been on schedule but we are getting there.

It is interesting to hear some of the same complaints that were leveled at our central production being leveled now at the local level; however they are better able to fight back and pin responsibility where it belongs so that we can correct the problems. That's what this is about - shorten the lines of communication, decision and problem/opportunity resolution.

Sheila will now be able to focus more on planning and control. Cash management will take a substantial increase in time as we grow. Assistance in developing and managing business plans will also be a core focus.



It is likely that we will hire a CFO this year to develop and implement a capital plan to accelerate our growth.

#### INPUT Corporate

Pat last year enabled 5 of our 7 units to relocate plus managed the interface with the distributed financial, accounting, legal and government entities with which we deal. She has also supported the distribution of the HR functions and worked with the units in the establishment of the business administration function. This was a truly monumental task. Hopefully there will not be quite as many changes this year although I can already see 1997 as being very busy again with regard to moves caused by expansion.

This year Pat will focus on corporate activities, including our move to "Methodologies On-line".

My focus last year was the redefinition of the company in terms of the Internet/networked world. This is now well underway with the organization structure in place. We are also getting our processes in place for sales, research and administration.

We are web-enabling our processes particularly research. This is the next stage of the networking that I mentioned earlier; cooperative working must become the norm so that we work as a team not as a collection of individuals.

Everyone in the company must be web trained in the next few months. The ability to manage your own web page will be a requirement to work at INPUT because this is how we will communicate and work together.

It is still not clear how we can make money on the Internet except by using it as a method of distribution and communication. We will have our first products distributed over the Internet in the next several months.

However, I do have a general idea of what we must do. We will need new products and services in order to take full advantage of it. By using the network we can increase the number of projects we produce by an order of magnitude without a corresponding increase in staff. We can reach new users of our services within existing customers, add new customers and we can dramatically add value to them all.

Other companies are also pursuing this but I believe our ideas are unique and will give us a major competitive edge.

In order to do this we must change the time sensitivity of our staff who are used to working in "years" and "quarters"; this must become "months" and "weeks" now and "days" and "hours" in the near future. Eventually it will be in "minutes" and "seconds" in some sectors of our business. The pace must speed up dramatically; those who are willing and able to do so should find this exciting and challenging. Those who are not must leave; soon! Staff must all be able to multi-stream activities; single stream people will not make it. Our future depends on these changes!



This will require flexible job specifications, categories and assignments; team measurement systems will be as important as individual measurement systems. This year we are already introducing team based systems in sales in some units.

One result of our direction as a company has been the realization that California was not a good location for us personally; for one thing it is such a long way from anywhere physically while being accessible from any where electronically. Also, as long as we were local there was still a tendency for us to be more directly involved in the day-to-day activities and for other units to regard it as the HQ notwithstanding directions to the contrary.

So we decided to detach ourselves completely and relocate. Personally we also wanted to move to a new permanent location.

We looked at a lot of places. Our criteria included:

- Easy access to an airport ( We are 10 minutes away from the one here),
- Access to an international airport (Miami is an hour's flight and there are non-stops from CI to London and Washington)
- East Coast US time zone to reduce the stress of travel particularly jet-lag. This has already worked in that I was able to travel to NY/NJ, Paris and Virginia in one week without any ill effects. This would just not have been possible from California.
- Separate location from an existing or probable unit site (so no Washington, NY, Boston)
- Good telecommunications (Cable and Wireless has moved its regional HQ here and they have a first class infrastructure although they use satellite links at the moment. C&W is laying optical fiber fast and provides local Internet services among other services. It has a modern, digital switching system. With the importance of the financial community to CI we figured that they are going to have good communications)
- A lot of personal criteria such as low crime rate (here we have one of the lowest anywhere; there is virtually no violent crime), hospitable climate, recreation facilities, etc.

We selected CI and moved here at the beginning of January. We have just got residency status. This is our home now. One personal factor is that the West Indies is where my father, grandfather and his forbears were born and raised. So it is probably no wonder that I like it; in a sense it is coming home.



My focus this year is as follows:

- Planning our redefinition in detail; this will require a lot of work with the units later on in the year. Key here is entry (and in some cases re-entry) into new markets, particularly the user communities.
- Based on this and other factors, developing a capital plan to accelerate growth. We have already been approached by VCs asking about investing with us.
- Travel to support the units through meeting with clients, prospects and staff. Internally, I do not expect to have administrative meetings except for the executive group meetings. I will make presentations to the groups as asked.
- Asia; sorting out the Japanese situation and looking at what we should be doing in China, Hong Kong, Taiwan, etc.
- Thinking and writing; we have been asked to follow up our book in Germany on Outsourcing with another on the Internet. I might also look at updating the outsourcing report I did several years ago in the USA as a book.
- It has been suggested that I write a quarterly report to our clients; I will do so if I can schedule the time and there is a general interest in my doing this.
- Another suggestion is that I make a short video as a promotional piece; I will do this with the idea that it can be put on multimedia laptops. We will look at this as another delivery vehicle.

In past years I have met with each staff member at the start of the year. This year I do not intend to do so. Rather unit executives will meet each person to have a similar discussion. This will provide them with the valuable knowledge that I received.

During the year I hope to meet everyone, but on a more relaxed basis. And through e-mail and the Internet each of you can contact me any time instead of just once a year. Apply the same thoughts to communicating with me electronically as you did physically. I will abide by the same rules.

## Conclusion - INPUT 1996

We are making substantial changes in the company:

- The California and New Jersey units are being combined into one unit co-managed by Bob, Tom and Wilson.
- INPUT will have a 100% club. Bob is in charge of this; that makes him certain of attending! Just kidding, Bob!





- Reinvigorating our stock option plan. First steps have already been taken and letters to awardees have gone out this week.
- We have introduced a compensation component for Program Managers that is linked to on-schedule delivery by month.
- Continuing with the move to a paperless internal environment using web tools and the Internet.
- Regular, physical meetings with the executives which will rotate among the units for planning and development purposes.

This should be the year that we go over \$10 million in sales, over \$1 million in profit and deliver our products to our clients on time and in the formats that are most useful to them.

Please accept my very best wishes for 1996; may you achieve all your and our objectives.

Thank you for your support.

Peter Cunningham  
Chairman



**INPUT**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 1995**

PREPARED: 08/02/96

ALL FIGURES IN US\$	INPUT US/CA	INPUT US/NJ	INPUT US/VA	INPUT-LTD Britain	INPUT-GMBH Germany	INPUT-SARL (1) France	INPUT-KK Japan	Total US\$
Revenues	2,056,823	649,226	1,933,758	2,142,837	296,818	662,723	255,698	7,997,883
Expenses:								
Salaries, wages, fringe benefits and consulting	1,274,824	367,729	1,176,982	1,023,796	167,779	428,348	194,951	4,634,409
Facilities, communications and other costs	735,776	220,344	808,154	938,243	152,986	187,477	211,303	3,254,283
Income (Loss) from operations	46,223	61,153	(51,378)	180,798	(23,947)	46,898	(150,556)	109,191
Interest & other income (expenses)	1,646	(775)	6,218	47,464 (2)	0	(505)	0	54,048
Income (loss) before taxes	47,869	60,378	(45,160)	228,262	(23,947)	46,393	(150,556)	163,239
Tax provision	(10,000)	(15,000)		(39,645)		(5,059) (3)		(69,704)
Net income (loss)	37,869	45,378	(45,160)	188,617	(23,947)	41,334	(150,556)	93,535

Notes: (1) INPUT GMBH was formed July 1995. Prior to that date the German office was a branch of INPUT-LTD and the result are contained therein.

(2) INPUT-LTD: Interest & other income for England includes the net exchange gain on the transaction of the Inter-company investment balance with the old German branch  
i.e. Translation adjustment in 1995 \$62,327  
less: adjustment in 1994 (14,863)  
\$47,464

(3) INPUT-SARL: A potential tax expense of \$32380 (160,000FF) is not included in the tax provision.



## **INPUT Report on our 20th Anniversary**

INPUT was formed 20 years ago.

We have survived and in many ways have been successful. We have established an international reputation in our field and have attracted a stellar list of clients.

We have obtained of the order of \$100 million of business over the twenty years.

But we have not obtained or retained any significant profit.

How different our lives would be if we had achieved even a 10% pretax profit: we would have \$5 million in retained earnings.

We would be able to accelerate our growth through organic and investment growth; we would be able to invest in technology to deliver better service to our clients and to enter new markets; we would be able to support and reward our people more generously and we probably would have a much greater enjoyment in our work. We would be successful in the way the world at large measures success!

From this point on, therefore, we will focus on generating profit in each unit and in the company as a whole. This will generate profit sharing rewards for all of us.

Over the years units have fluctuated in their profit or loss contribution. The following is a summary of our status at the end of 1994.

### **INPUT Vienna**

This year, the Vienna office has been a major profit contributor. Thank you, Bob, Scott and all the people who work in the team for a very fine performance!

### **INPUT Europe**

I would like to recognize the real achievement that Peter and his team have made of turning around the European operations from a loss in aggregate in 1993 to a marginally profitable year in 1994 and what looks like a substantially profitable year in 1995.

#### **INPUT Frankfurt**

This will probably be the second most profitable unit in our company and the highest in profitability. Congratulations, Frank and thanks to you and your team!

#### **INPUT London**

The staff here has undergone a transformation. It is much stronger than a year ago and the profit improvement has been dramatic.

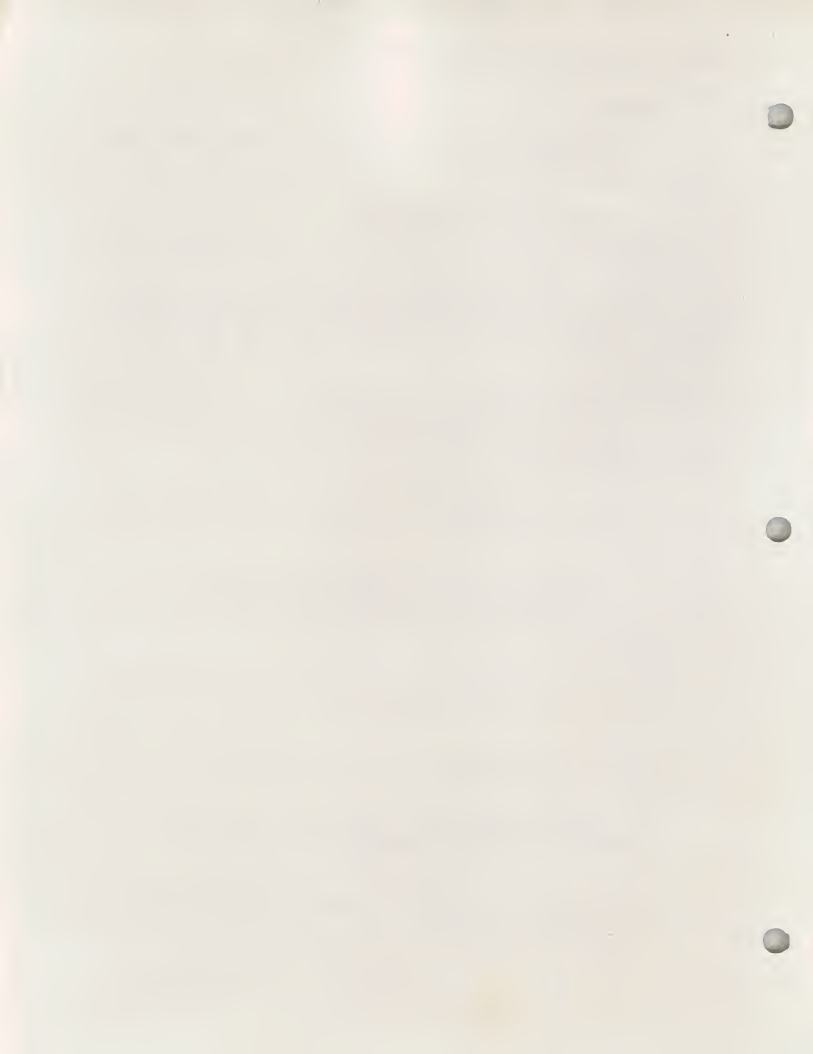
#### **INPUT Paris**

This is now a fully functioning unit with its own research and support capability. It is marginally profitable and should be more profitable in 1995.

### **INPUT NJ**

US Custom shrank substantially in revenues in 1994 but seems to have retained profitability. We are reviewing with Tom how this can be improved in 1995.

### **INPUT Mtn View**



## **INPUT Report on our 20th Anniversary**

The US Commercial operations is the major problem in terms of continued losses. We have struggled to find the right formula to achieve profitability. We are making progress and will be profitable in 1995 as a result of expense reductions and the reinvigoration of the sales effort under Bob.

### **INPUT KK**

Tokyo was a major loss maker in 1994; it has been restructured as a result. There is possibly a relationship between the performance of the Ca. and NJ operations and INPUT KK since the programs and custom sold are primarily from those sources.

### **INPUT Central Services**

In the central services area, there will be increased decentralization of the operational processes to the units. The role of the central services function will become one of planning, control and assistance in financial and HR areas. There is still an operations role for production in the printing of reports and publications. It will continue as long as the units purchase their services from this unit. Fred is operating a service business; successfully as far as I can see!

### **INPUT Corporate**

We have a huge opportunity in the redefinition of our company in the Internet/networked world. My major task in the new year will be to determine how this should be done.

Pat will be addressing the facilities needs of our various units; both London and Vienna offices will be moving to new locations early in 1995. She will also assist in the establishment of the necessary HR and other processes in the units to facilitate our growth.

As a result of our plans we are moving out of the Mountain View office permanently. The "corporate HQ" (such as it is) will move with us. This clearly separates us from the US Commercial operations; it will function as a unit just as any of the others

### **Outlook for 1995**

Our target for 1995 is a profit of \$1 million! This will be a major step on our path to a future that will benefit us all.

I look forward to talking with you in the new year about your ideas and suggestions for our mutual benefit, that of the whole INPUT team.

Best wishes for a very happy and successful 1995.

A handwritten signature in dark ink, appearing to read "Bob Cunningham", followed by a small flourish or checkmark.





## INPUT

### BOARD OF DIRECTORS

MARCH 1995

**Peter A. Cunningham:**

Address:

Telephone:

Birthdate:

Occupation:

Chairman of the Board, Director

350 Sharon Park Dr., S21, Menlo Park, CA 94025

415-854-1491

July 13, 1941

President

INPUT

1881 Landings Drive

Mountain View, CA 94043

415-961-3300

**Patricia Cunningham:**

Address:

Telephone:

Birthdate:

Occupation:

Secretary, Treasurer, Director

350 Sharon Park Dr., S21, Menlo Park, CA 94025

415-854-1491

February 15, 1945

Vice President

INPUT

1881 Landings Drive

Mountain View, CA 94043

415-961-3300

**William H. Bryant:**

Occupation:

Director

Attorney

Bryant, Clohan, Ott, & Baruh

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Suite 220

Palo Alto, CA 94301

415-324-1606

**Sterling Williams:**

Occupation:

Director

President & CEO

Sterling Software

8080 N. Central Expressway

Suite 1100, LB53

Dallas, TX 75206

214-891-8601



## INPUT

### COMPANY OFFICERS

MARCH 1995

**Peter A. Cunningham**

Address:  
Telephone:  
Birthdate:  
Occupation:

President  
350 Sharon Park Dr., Menlo Park, CA 94025  
415-854-1491  
July 13, 1941  
President  
INPUT  
1881 Landings Drive  
Mountain View, CA 94043  
415-961-3300

**Patricia Cunningham**

Address:  
Telephone:  
Birthdate:  
Occupation:

Vice President  
350 Sharon Park Dr., Menlo Park, CA 94025  
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February 15, 1945  
Vice President  
INPUT  
1881 Landings Drive  
Mountain View, CA 94043  
415-961-3300

**Robert Deller**

Address:  
  
Telephone:  
Birthdate:  
Occupation:

Vice President  
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Washington, D.C. 20015  
(202) 966-6523  
September 28, 1937  
Vice President  
INPUT  
1953 Gallows Drive, Suite 560  
Vienna, VA 22182  
(703) 847-6870

**Robert L. Goodwin**

Address:  
  
Telephone:  
Birthdate:  
Occupation:

Vice President  
6363 Christie Avenue, #2407  
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July 19, 1935  
Vice President  
INPUT  
1881 Landings Drive  
Mountain View, CA 94043  
(415) 961-3300



**Peter Lines:**

Address:

Telephone:

Birthdate:

Occupation:

Vice President

32 Lawn Crescent, Kew Gardens, Richmond, TW9  
3NS

081-940-3227

June 5, 1944

Managing Director

INPUT, Ltd.

17 Hill Street, Mayfair,

London SW1Y 4NF

011-44-71-493-9335

**Tom O'Flaherty**

Address:

Telephone:

Birthdate:

Occupation:

Vice President

411 West End Avenue, #2B, New York, NY 10024

212-496-8501

April 14, 1940

Vice President

INPUT

The Atrium at Glenpointe

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Teaneck, NJ 07666

201-801-0050

**Sylvie Benech**

Address

Telephone

Occupation

Vice President

23 avenue Emile Deschanel

75007 Paris

1-45-55-7805

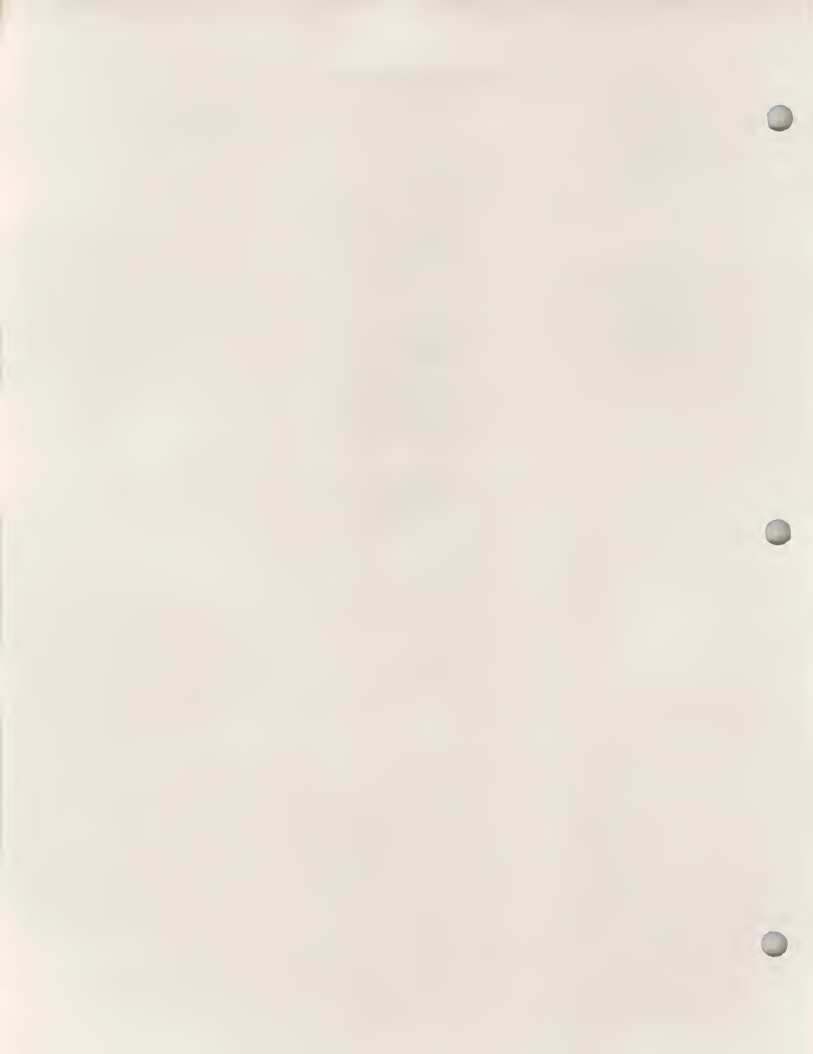
Vice President

INPUT Sarl

24, avenue de Recteur Poincare

75016 Paris

011-33-1-46-47-6565



**INPUT  
STOCKHOLDERS  
MARCH 1995**

**Sylvie Benech**  
23 Avenue Emile Deschanel  
75007 Paris, France

**William H. Bryant, Esq.**  
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Palo Alto, CA 94301

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Mountain View, CA 94040

**Peter A. Cunningham**  
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**Patricia Cunningham**  
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Menlo Park, CA 94025

**Renee L. Fenstermaker**  
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Menlo Park, CA 94025

**Terye A. Galvan**  
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Gilroy, CA 95020

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Rye, NY 10580

**Anne M. Johnson (Mercer)**  
167 Eunice Avenue  
Mountain View, CA 94040

**Scott Lewis**  
607 Knollwood Drive  
Falls Church VA 22046

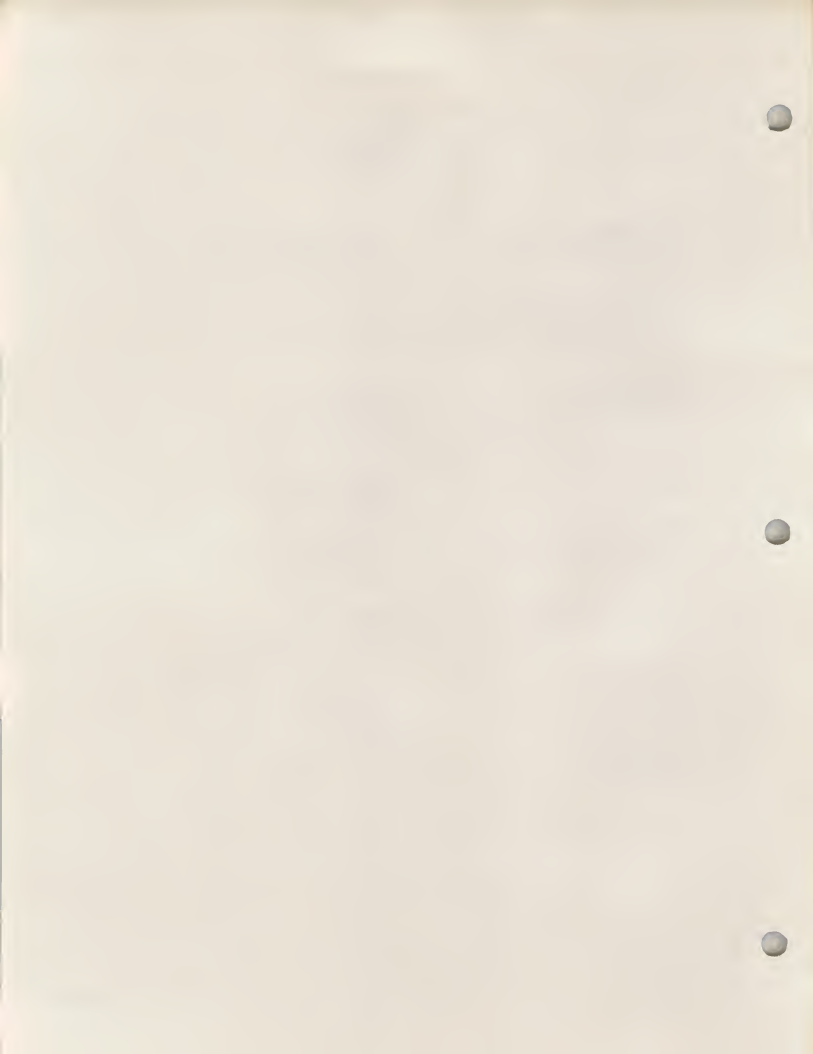
**Peter Lines**  
32 Lawn Crescent  
Kew Gardens  
Richmond TW9 3NS

**Edward I. Metz**  
13 Lenape Drive  
Montville, NJ 07045

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4123 North Ridgeview Road  
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**Judy A. Parks**  
7375 Rollingdell Dr. #107  
Cupertino, CA 95014

**Sterling Williams**  
Sterling Software  
8080 N. Central Expressway  
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Dallas, TX 75206









**INPUT**<sup>®</sup> Consolidated  
FINANCIAL STATEMENTS  
Years Ended  
December 31, 1995 and 1994



INPUT  
CONSOLIDATED BALANCE SHEET  
As of December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 314,899	\$ 197,345
Short-term investments(includes collateral of \$300,000 for bank line of credit)	300,000	315,000
Accounts receivable, net of allowance for doubtful accounts of \$ 1125 (\$19,946 in 1994)	1,770,132	2,019,920
Income tax receivable	0	0
Prepaid expenses	<u>117,505</u>	<u>246,273</u>
TOTAL CURRENT ASSETS	2,502,536	2,778,538
PROPERTY & EQUIPMENT:		
Furniture and fixtures	260,360	211,849
Office Equipment	1,017,379	846,581
Leasehold improvements	104,553	29,680
	1,382,292	1,088,110
Accumulated depreciation	<u>(943,771)</u>	<u>(875,045)</u>
TOTAL PROPERTY & EQUIPMENT	438,521	213,065
DEPOSITS	<u>113,867</u>	<u>82,425</u>
	\$ <u>3,054,924</u>	\$ <u>3,074,028</u>
<u>LIABILITIES AND NET CAPITAL DEFICIENCY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 352,327	\$ 268,861
Borrowings under bank line of credit	30,000	250,000
Accrued liabilities	717,908	641,765
Obligations under capital leases	30,640	17,705
Income taxes payable	82,436	5,000
Deferred revenue	<u>2,229,258</u>	<u>2,383,652</u>
TOTAL CURRENT LIABILITIES	3,442,569	3,566,983
OBLIGATIONS UNDER CAPITAL LEASES DUE AFTER ONE YEAR	11,135	18,611
COMMITMENTS		
NET CAPITAL DEFICIENCY:		
Common stock, no par value: 75,000,000 share authorized, 841,000 shares issued and outstanding in 1995 (841,500 in 1994)	60,975	61,375
Accumulated deficit	(456,565)	(550,098)
Cumulative translation adjustment	<u>(3,190)</u>	<u>(22,843)</u>
TOTAL NET CAPITAL DEFICIENCY	<u>(398,780)</u>	<u>(511,566)</u>
	\$ <u>3,054,924</u>	\$ <u>3,074,028</u>



INPUT  
CONSOLIDATED STATEMENT OF OPERATIONS  
Years ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
REVENUES	\$ 7,997,883	\$ 7,039,430
EXPENSES:		
Salaries, wages, fringe benefits and consulting fees	4,634,410	3,888,701
Facilities, communications and other costs	<u>3,254,283</u>	<u>3,004,011</u>
	<u>7,888,693</u>	<u>6,892,712</u>
INCOME (LOSS) FROM OPERATIONS	109,190	146,718
INTEREST & OTHER INCOME (EXPENSES), NET	<u>54,048</u>	<u>5,521</u>
INCOME (LOSS) BEFORE TAXES	163,238	152,239
TAX PROVISION	<u>69,704</u>	<u>30,500</u>
NET INCOME (LOSS)	\$ <u>93,534</u>	\$ <u>121,739</u>





INPUT  
CONSOLIDATED STATEMENT OF NET CAPITAL DEFICIENCY  
Years ended December 31, 1995 and 1994

	<u>Common stock</u>				
	<u>Number of shares issued and outstanding</u>	<u>Amount</u>	<u>Accumulated deficit</u>	<u>Cumulative translation adjustment</u>	<u>Net capital deficiency</u>
Balance at December 31, 1993	842,000	\$ 61,775	\$ (671,837)	\$ 18,966	\$ (591,096)
Issuance of common stock					
Repurchase of common stock	(500)	(400)			(400)
Accumulated translation adjustment for the year				(41,809)	(41,809)
Net Income (Loss)			121,739		121,739
Balance at December 31, 1994	<u>\$ 841,500</u>	<u>\$ 61,375</u>	<u>\$ (550,098)</u>	<u>\$ (22,843)</u>	<u>\$ (511,566)</u>
Issuance of common stock					
Repurchase of common stock	(500)	(400)			(400)
Accumulated translation adjustment for the year				19,562	19,562
Net Income			95,534		95,534
Balance at December 31, 1995	<u>841,000</u>	<u>\$ 60,975</u>	<u>\$ (454,564)</u>	<u>\$ (3,281)</u>	<u>\$ (396,870)</u>



INPUT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 1995

LEASES

The following is a schedule of future minimum lease and non-cancelable operating leases (with initial or remaining terms in excess of one year) as of December 31, 1998:

	<u>Capitalized leases</u>	<u>Operating leases</u>
Fiscal year:		
1996	\$ 30,640	\$ 465,036
1997	10,756	465,036
1998	4,651	465,036
1999		452,129
2000		88,475
	<hr/>	<hr/>
Total minimum lease payments	46,047	\$ 1,935,712
Less : Amount representing interest	<u>(4,272)</u>	
Present value of minimum lease payments	41,775	
Less: Current portion	<u>(30,640)</u>	
Non current portion	<u>\$ 11,135</u>	

INCENTIVE STOCK OPTION PLAN

The Company has an incentive stock option plan which provides for the issuance of up to 160,000 shares on common stock to eligible employees.

Options may be granted at prices to be determined by the Board of Directors (but not less than the fair value of the stock at the date of grant). Options are exercisable immediately upon grant. Stock issued upon exercise is subject to certain repurchase rights by the Company in the event of termination of employment. At December 31, 1995, all shares under this plan are subject to repurchase.



**INPUT**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 1995**

PREPARED: 08/07/96

ALL FIGURES IN US\$	INPUT US/CA	INPUT US/NJ	INPUT US/VA	INPUT-LTD Britain	INPUT-GMBH Germany	INPUT-SARL (1) France	INPUT-KK Japan	Total US\$
Revenues	2,056,823	649,226	1,933,758	2,142,837	296,818	662,723	255,698	7,997,883
Expenses:								
Salaries, wages, fringe benefits and consulting	1,274,824	367,729	1,176,982	1,023,796	167,779	428,348	194,951	4,634,409
Facilities, communications and other costs	735,776	220,344	808,154	938,243	152,986	187,477	211,303	3,254,283
Income (Loss) from operations	46,223	61,153	(51,378)	180,798	(23,947)	46,898	(150,556)	109,191
Interest & other income (expenses)	1,646	(775)	6,218	47,464 (2)	0	(505)	0	54,048
Income (loss) before taxes	47,869	60,378	(45,160)	228,262	(23,947)	46,393	(150,556)	163,239
Tax provision	(10,000)	(15,000)		(39,645)		(5,059) (3)		(69,704)
Net income (loss)	37,869	45,378	(45,160)	188,617	(23,947)	41,334	(150,556)	93,535

Notes: (1) INPUT GMBH was formed July 1995. Prior to that date the German office was a branch of INPUT-LTD and the result are contained therein.

(2) INPUT-LTD: Interest & other income for England includes the net exchange gain on the transaction of the Inter-company investment balance with the old German branch  
i.e. Translation adjustment in 1 \$62,327  
less: adjustment in 1994 (14,863)  
\$47,464

(3) INPUT-SARL: A potential tax expense of \$32380 (160,000FF) is not included in the tax provision.



INPUT  
CONSOLIDATED BALANCE SHEET  
As of December 31, 1995 and 1994

<u>ASSETS</u>	<u>1995</u>	<u>1994</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 314,899	\$ 197,345
Short-term investments(includes collateral of \$300,000 for bank line of credit)	300,000	315,000
Accounts receivable, net of allowance for doubtful accounts of \$ 1125 (\$19,946 in 1994)	1,770,132	2,019,920
Income tax receivable	0	0
Prepaid expenses	117,505	246,273
<b>TOTAL CURRENT ASSETS</b>	<u>2,502,536</u>	<u>2,778,538</u>
<b>PROPERTY &amp; EQUIPMENT:</b>		
Furniture and fixtures	260,360	211,849
Office Equipment	1,017,379	846,581
Leasehold improvements	104,553	29,680
	1,382,292	1,088,110
Accumulated depreciation	(943,771)	(875,045)
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<u>438,521</u>	<u>213,065</u>
<b>DEPOSITS</b>		
	113,867	82,425
	<u>\$ 3,054,924</u>	<u>\$ 3,074,028</u>
 <u>LIABILITIES AND NET CAPITAL DEFICIENCY</u>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 352,327	\$ 268,861
Borrowings under bank line of credit	30,000	250,000
Accrued liabilities	717,908	641,765
Obligations under capital leases	30,640	17,705
Income taxes payable	82,436	5,000
Deferred revenue	2,229,258	2,383,652
<b>TOTAL CURRENT LIABILITIES</b>	<u>3,442,569</u>	<u>3,566,983</u>
<b>OBLIGATIONS UNDER CAPITAL LEASES DUE AFTER ONE YEAR</b>	11,135	18,611
<b>COMMITMENTS</b>		
<b>NET CAPITAL DEFICIENCY:</b>		
Common stock, no par value: 75,000,000 share authorized, 841,000 shares issued and outstanding in 1995 (841,500 in 1994)	60,975	61,375
Accumulated deficit	(456,565)	(550,098)
Cumulative translation adjustment	(3,190)	(22,843)
<b>TOTAL NET CAPITAL DEFICIENCY</b>	<u>(398,780)</u>	<u>(511,566)</u>
	<u>\$ 3,054,924</u>	<u>\$ 3,074,028</u>





INPUT  
CONSOLIDATED STATEMENT OF OPERATIONS  
Years ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
REVENUES	\$ 7,997,883	\$ 7,039,430
EXPENSES:		
Salaries, wages, fringe benefits and consulting fees	4,634,410	3,888,701
Facilities, communications and other costs	<u>3,254,283</u>	<u>3,004,011</u>
	<u>7,888,693</u>	<u>6,892,712</u>
INCOME (LOSS) FROM OPERATIONS	109,190	146,718
INTEREST & OTHER INCOME (EXPENSES), NET	<u>54,048</u>	<u>5,521</u>
INCOME (LOSS) BEFORE TAXES	163,238	152,239
TAX PROVISION	<u>69,704</u>	<u>30,500</u>
NET INCOME (LOSS)	\$ <u><u>93,534</u></u>	\$ <u><u>121,739</u></u>



INPUT  
CONSOLIDATED STATEMENT OF NET CAPITAL DEFICIENCY  
Years ended December 31, 1995 and 1994

	<u>Common stock</u>					
	<u>Number of shares issued and outstanding</u>		<u>Amount</u>	<u>Accumulated deficit</u>	<u>Cumulative translation adjustment</u>	<u>Net capital deficiency</u>
Balance at December 31, 1993	842,000	\$	61,775	\$ (671,837)	\$ 18,966	\$ (591,096)
Issuance of common stock						
Repurchase of common stock	(500)		(400)			(400)
Accumulated translation adjustment for the year					(41,809)	(41,809)
Net Income (Loss)				121,739		121,739
Balance at December 31, 1994	<u>\$ 841,500</u>	\$	<u>61,375</u>	<u>\$ (550,098)</u>	<u>\$ (22,843)</u>	<u>\$ (511,566)</u>
Issuance of common stock						
Repurchase of common stock	(500)		(400)			(400)
Accumulated translation adjustment for the year					19,562	19,562
Net Income				95,534		95,534
Balance at December 31, 1995	<u>841,000</u>	\$	<u>60,975</u>	<u>\$ (454,564)</u>	<u>\$ (3,281)</u>	<u>\$ (396,870)</u>



INPUT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 1995

LEASES

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	<hr/>	<hr/>
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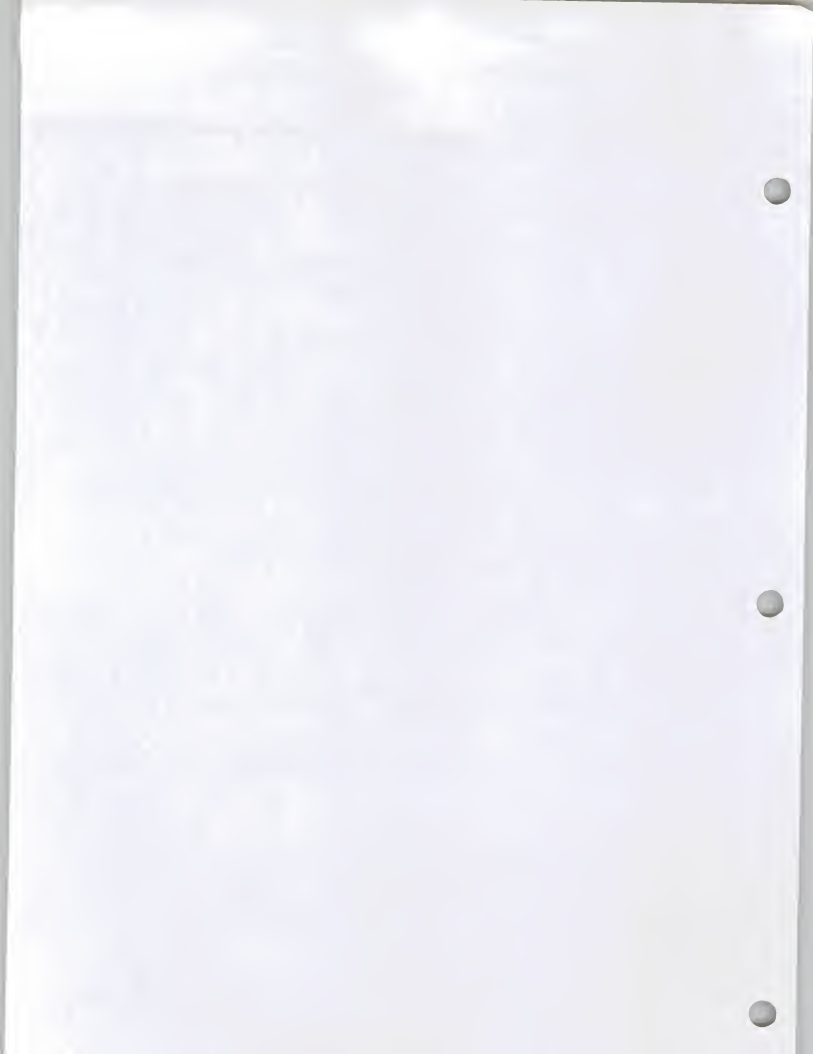


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# **INPUT Limited**

## **Report and Accounts**

31 December 1995



# **INPUT Limited**

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Registered No. 1470416

## **DIRECTORS**

P A Cunningham

(Chairman)

P E Cunningham

P Lines

## **SECRETARY**

P E Cunningham

## **AUDITORS**

Ernst & Young

Apex Plaza

Reading

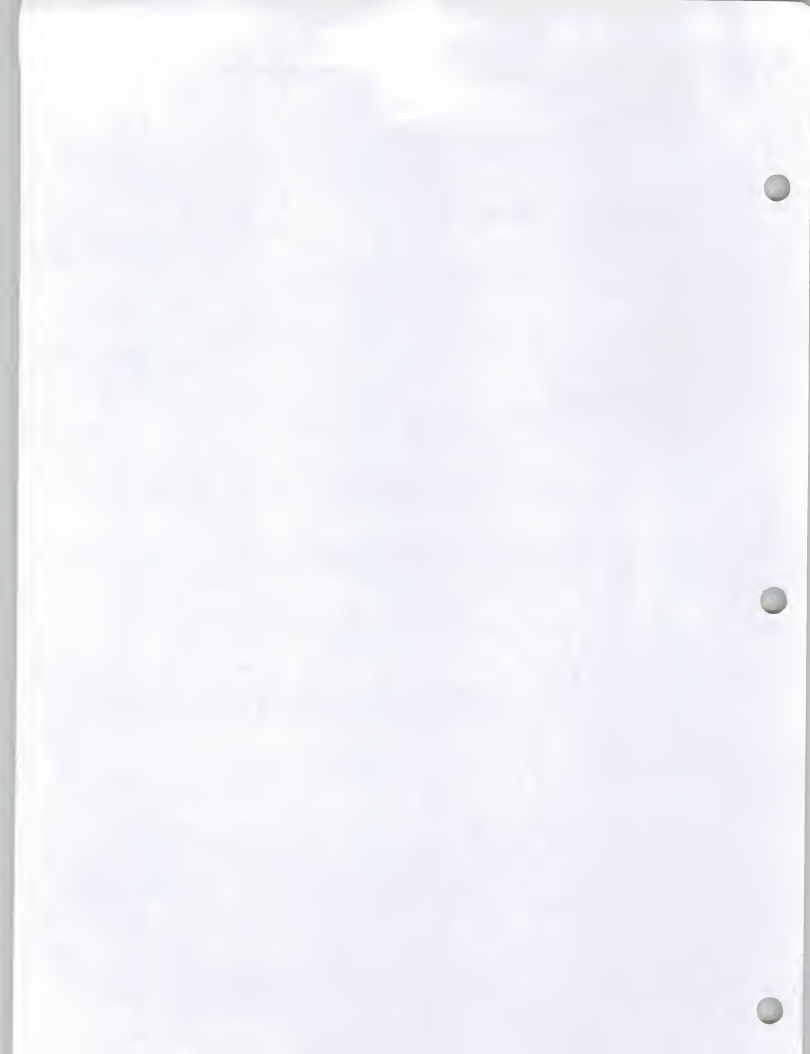
RG1 1YE

## **REGISTERED OFFICE**

Apex Plaza

Reading

RG1 1YE



The directors present their report and accounts for the year ended 31 December 1995.

#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £104,149 (1994: £172,711) and has been transferred to reserves.

The directors do not recommend the payment of a dividend.

#### PRINCIPAL ACTIVITIES

The company's principal activity is to provide market research and consultancy on the information services industry.

#### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Turnover has increased by 25% to £1,348,629. The directors look forward to continued growth in the coming year, and are confident that the company is well placed to exploit the opportunities arising.

#### CLOSURE OF GERMAN BRANCH

On 30 June 1995 the branch office of INPUT Limited operating in Germany was closed. On 1 July 1995 INPUT (the parent company) incorporated a subsidiary company in Germany, INPUT GmbH. There was no transfer of any assets or liabilities to INPUT GmbH.

#### DIRECTORS AND THEIR INTERESTS

The directors of the company are listed on page 1. Their interests in the share capital of the company are as follows:

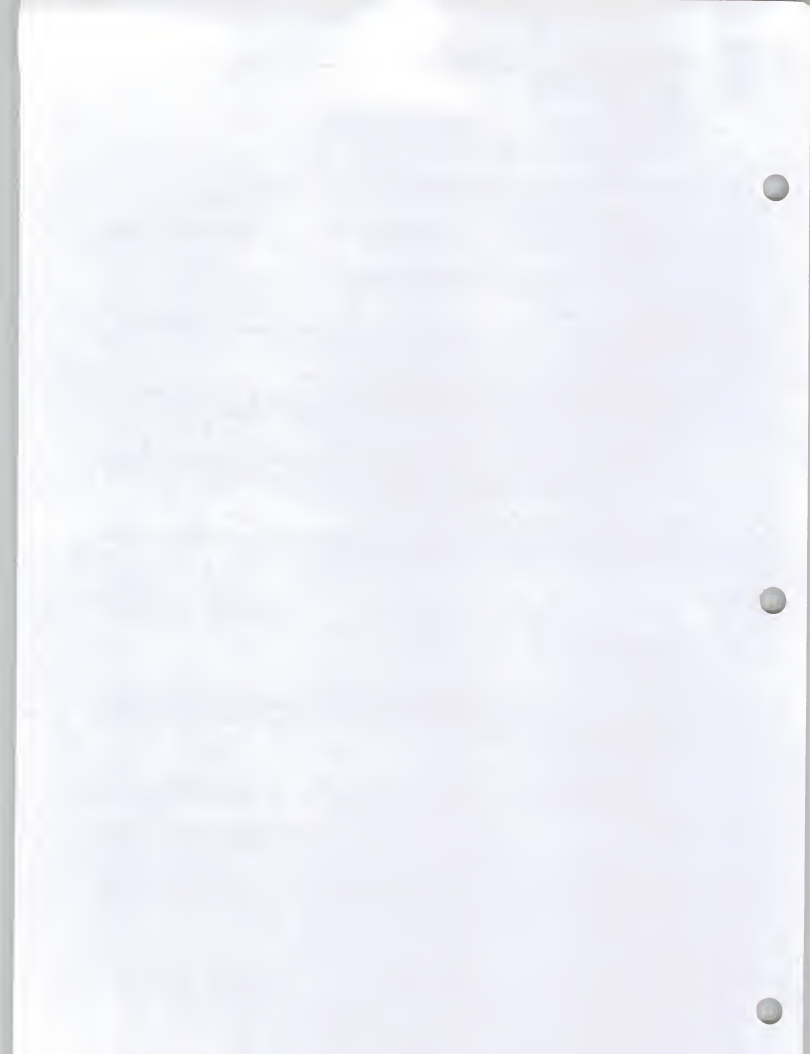
	<i>At 31 December 1995</i>	<i>At 1 January 1995</i>
	<i>Ordinary shares</i>	<i>Ordinary shares</i>
P A Cunningham	1	1
P E Cunningham	-	-
P Lines	-	-

P A Cunningham is interested in the whole of the company's share capital which is owned by INPUT, a US incorporated company over which he has control. P Lines is interested in 10,500 ordinary shares of the parent company (1994: 10,500).

#### Interests in options

The parent company, INPUT, operates an incentive stock option plan by which executives are able to subscribe for ordinary shares in the company. The interests of the directors of INPUT Limited were as follows:

	<i>At 1 January 1995</i>	<i>Granted during the year</i>	<i>At 31 December 1995</i>
P Lines	10,500	5,000	15,500



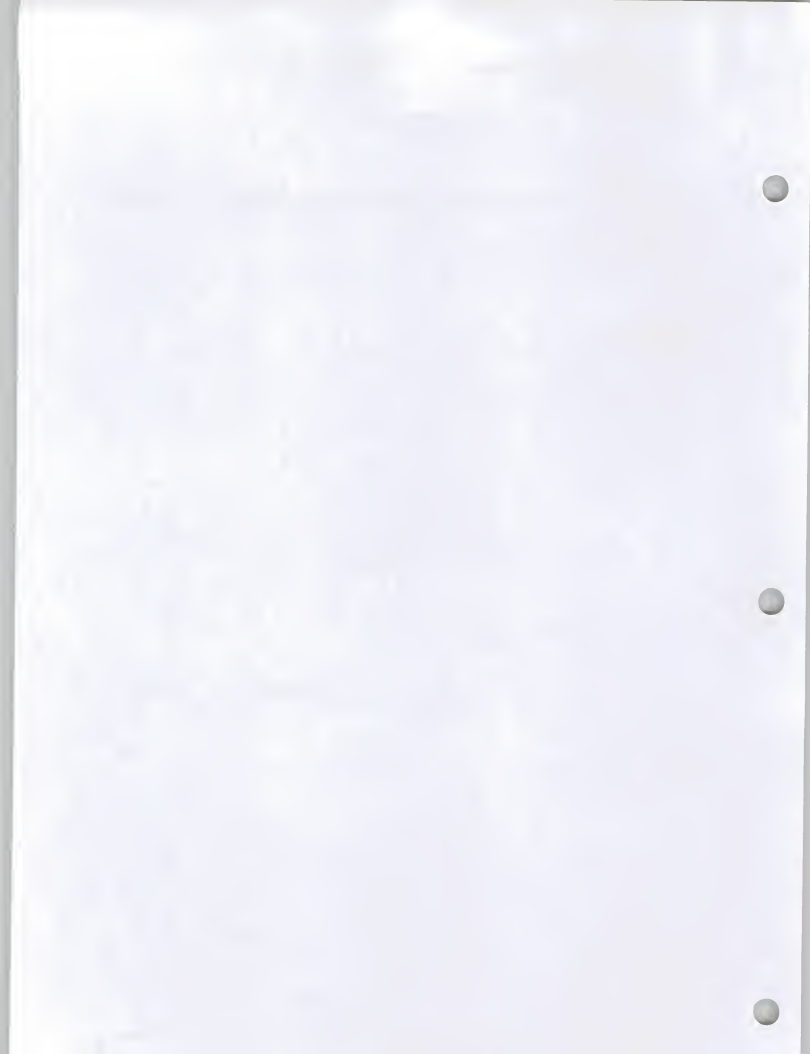
DIRECTORS' REPORT

**AUDITORS**

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board

Peter Lines  
Director





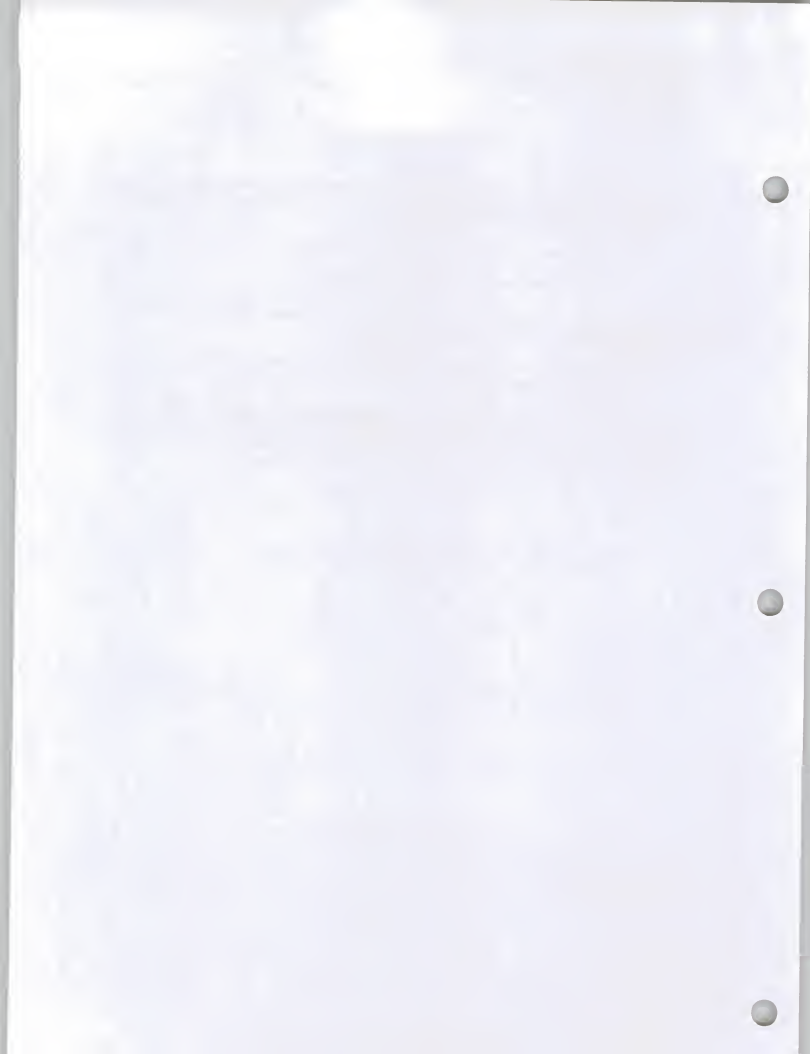
## INPUT Limited

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**REPORT OF THE AUDITORS**  
to the members of INPUT Limited

We have audited the accounts on pages 6 to 16, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

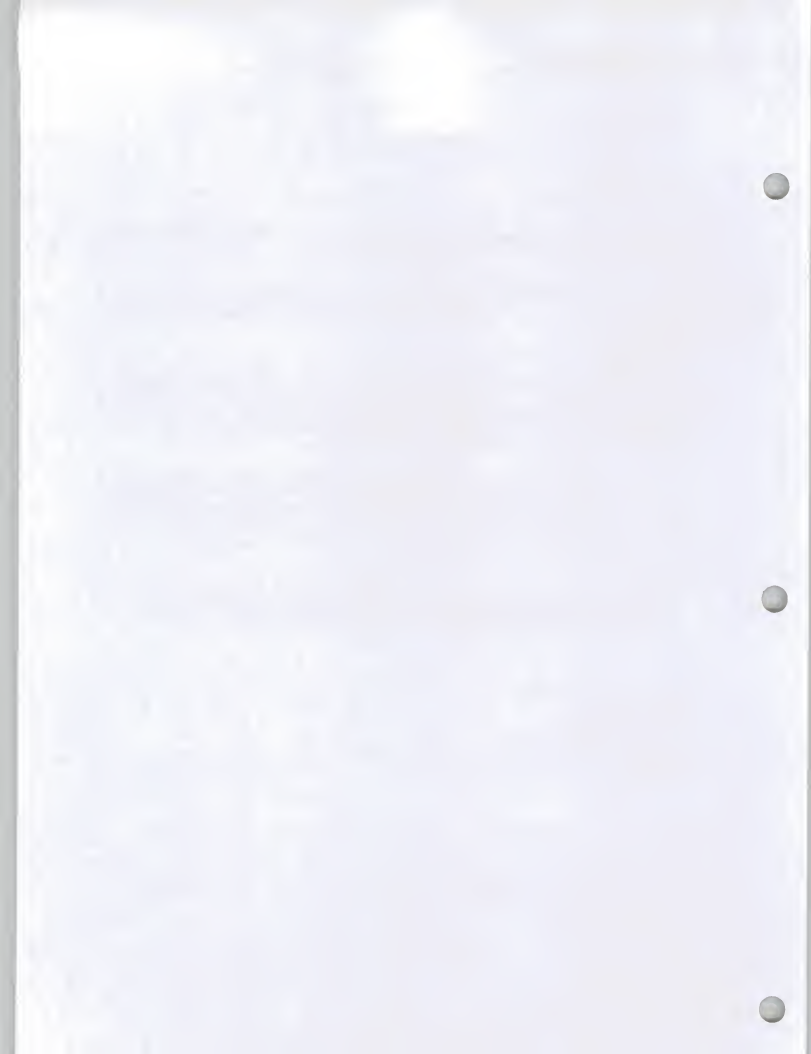
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young  
Chartered Accountants  
Registered Auditor  
Reading  
4 February 1997



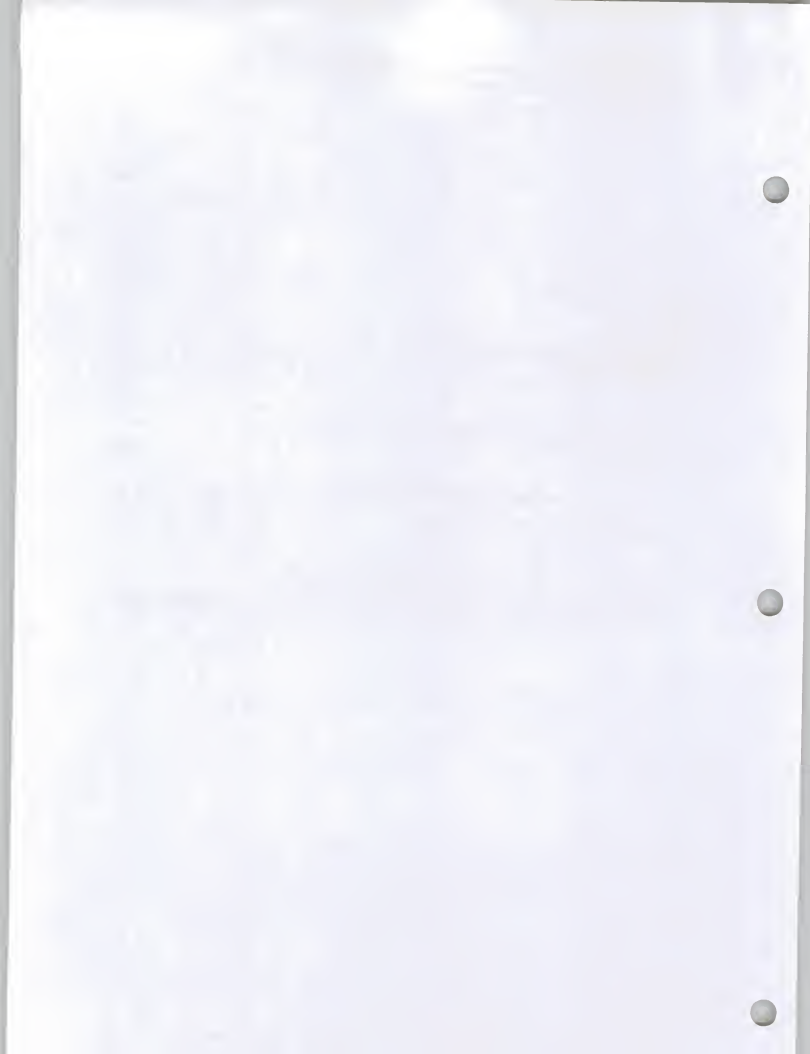
# INPUT Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 1995

	Notes	1995 £	1994 £
Turnover	2	1,348,629	1,082,013
Administrative expenses		1,197,192	907,282
<b>OPERATING PROFIT</b>	3	151,437	174,731
Interest receivable		2,637	-
Interest payable	5	-	(184)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		154,074	174,547
Tax on profit on ordinary activities	6	49,925	1,836
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		104,149	172,711
<b>RETAINED PROFIT/(LOSS) BROUGHT FORWARD</b>	13	47,569	(125,142)
<b>RETAINED PROFIT CARRIED FORWARD</b>	13	151,718	47,569

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £104,149 in the year ended 31 December 1995 and £172,711 in the year ended 31 December 1994.

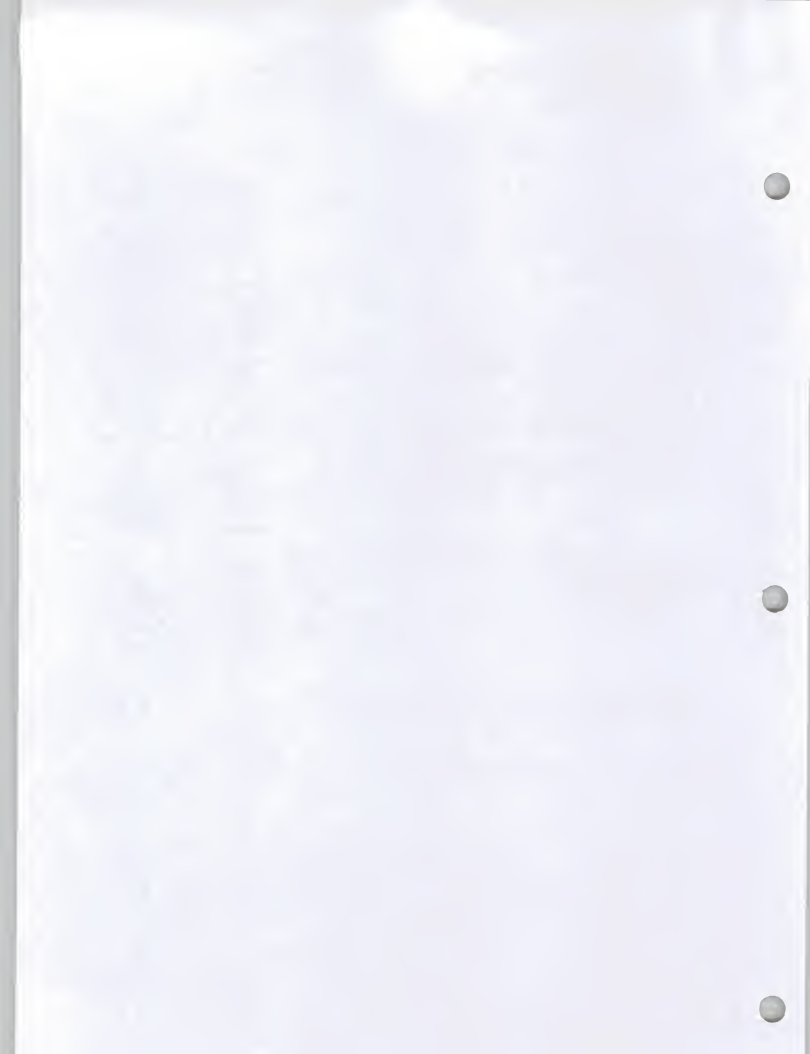


# INPUT Limited

## BALANCE SHEET at 31 December 1995

	Notes	1995 £	1994 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	112,700	37,171
<b>CURRENT ASSETS</b>			
Debtors	8	487,069	460,646
Cash at bank and in hand	9	67,303	126,057
		554,372	586,703
<b>CREDITORS: amounts falling due within one year</b>	10	506,846	569,225
<b>NET CURRENT ASSETS</b>		47,526	17,478
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		160,226	54,649
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	11	1,428	-
		158,798	54,649
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	2	2
Share premium account	13	7,078	7,078
Profit and loss account	13	151,718	47,569
		158,798	54,649

Peter Lines, Director  
30 January 1997

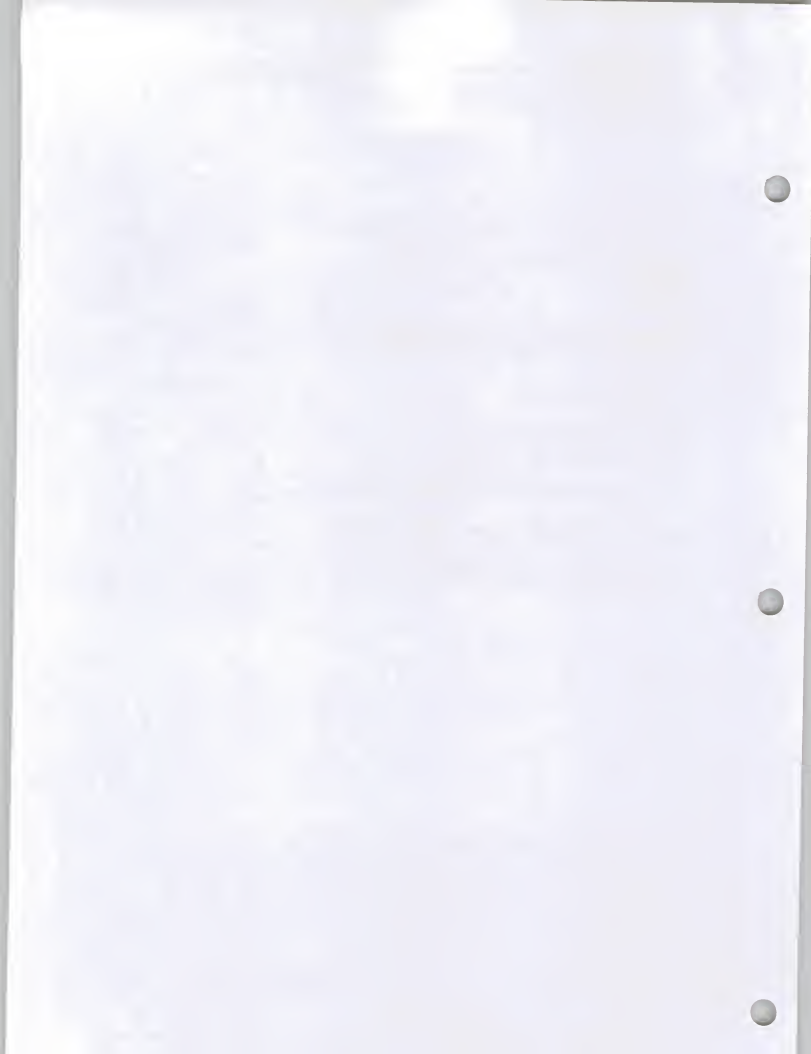




# INPUT Limited

## STATEMENTS OF CASH FLOWS for the year ended 31 December 1995

	Notes	1995 £	1994 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	3(b)	50,089	124,311
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest paid		-	(184)
Interest received		2,637	-
<b>NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		2,637	(184)
<b>TAXATION</b>			
Corporation tax (paid)/received		(1,836)	7,899
<b>INVESTING ACTIVITIES</b>			
Payments to acquire tangible fixed assets		(98,937)	(23,873)
Receipts from sales of tangible fixed assets		7,330	-
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		(91,607)	(23,873)
<b>NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		(40,717)	108,153
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	9	(40,717)	108,153



## INPUT Limited

### NOTES TO THE ACCOUNTS at 31 December 1995

#### 1. ACCOUNTING POLICIES

##### *Basis of preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

##### *Deferred taxation*

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

##### *Foreign currencies*

Receivables and payables denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

##### *Deferred revenue*

The estimated proportion of income invoiced but relating to the following year is carried forward as deferred revenue.

##### *Depreciation*

Depreciation is provided on all the tangible fixed assets using the straight line basis method, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Leasehold improvement	-	Life of the lease
Office equipment	-	5 years
Computer equipment/software	-	3 years

##### *Leasing and hire purchase commitments*

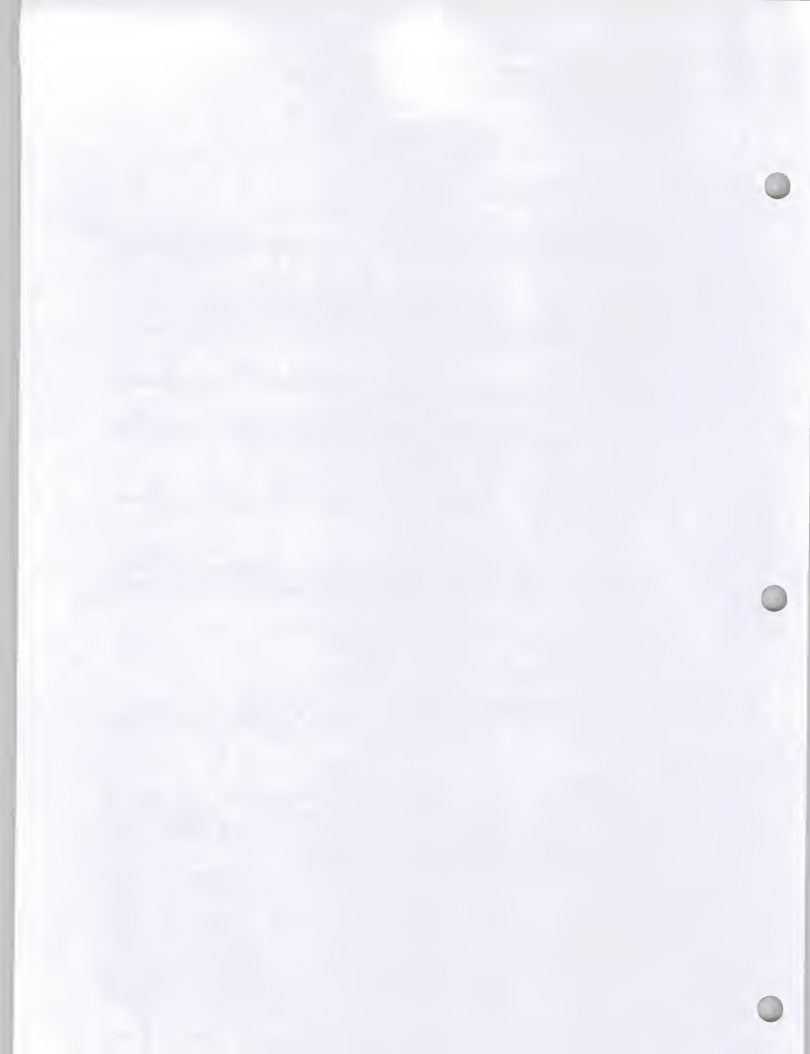
Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

#### 2. TURNOVER

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax. The turnover and pre-tax profit is attributable to one activity, the provision of market research and consultancy on the information services industry

An analysis of turnover by geographical market is given below:

	1995 £	1994 £
United States	73,286	78,091
Continental Europe	948,485	742,775
United Kingdom	326,858	261,147
	<u>1,348,629</u>	<u>1,082,013</u>



# INPUT Limited

## NOTES TO THE ACCOUNTS at 31 December 1995

### 3. OPERATING PROFIT

(a) This is stated after charging:

	1995 £	1994 £
Directors' remuneration (see below)	61,966	55,720
Auditors' remuneration	4,000	4,700
Hire of plant and machinery	280	1,151
Doubtful debt expense	-	13,719
Depreciation	16,081	8,679
Foreign exchange (gain)/loss	(9,550)	25,879

(b) Reconciliation of operating profit to net cash inflow from operating activities.

	1995 £	1994 £
Operating profit	151,437	174,731
Depreciation	16,078	8,679
Increase in debtors	(26,423)	(324,114)
Decrease/increase in creditors	(91,003)	265,015
Net cash inflow from operating activities	50,089	124,311

(c) Directors' remuneration:

Other emoluments (including pension contributions)	61,966	55,720
--	--------	--------

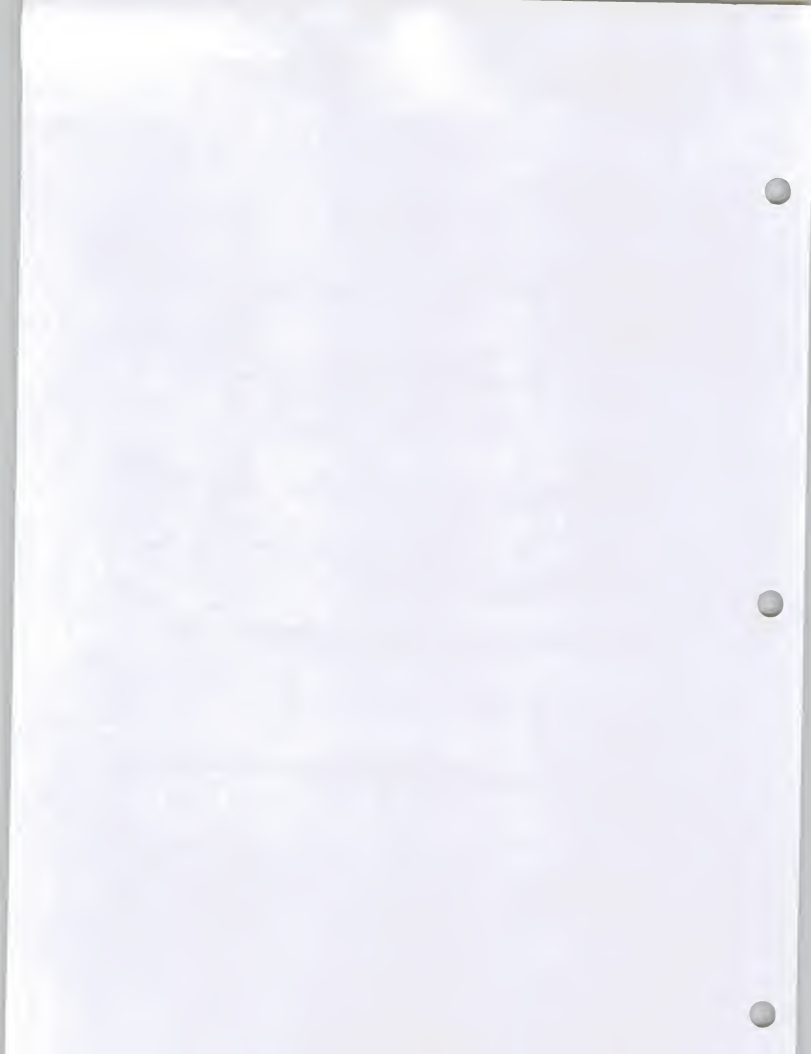
Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1995 No.	1994 No.
£nil - £5,000	2	2
£50,001 - £55,000	-	1
£60,001 - £65,000	1	-

The emoluments, excluding pension contributions, of the chairman and highest paid director were £nil (1994 - £nil) and £61,246 (1994 - £55,000) respectively.

### 4. STAFF COSTS

	1995 £	1994 £
Wages and salaries	507,980	389,318
Social security costs	62,162	42,311
	570,142	431,629



# INPUT Limited

## NOTES TO THE ACCOUNTS at 31 December 1995

### 4. STAFF COSTS (CONTINUED)

The average weekly number of employees during the year was made up as follows:

	1995 No.	1994 No.
Office and management	12	11

### 5. INTEREST PAYABLE

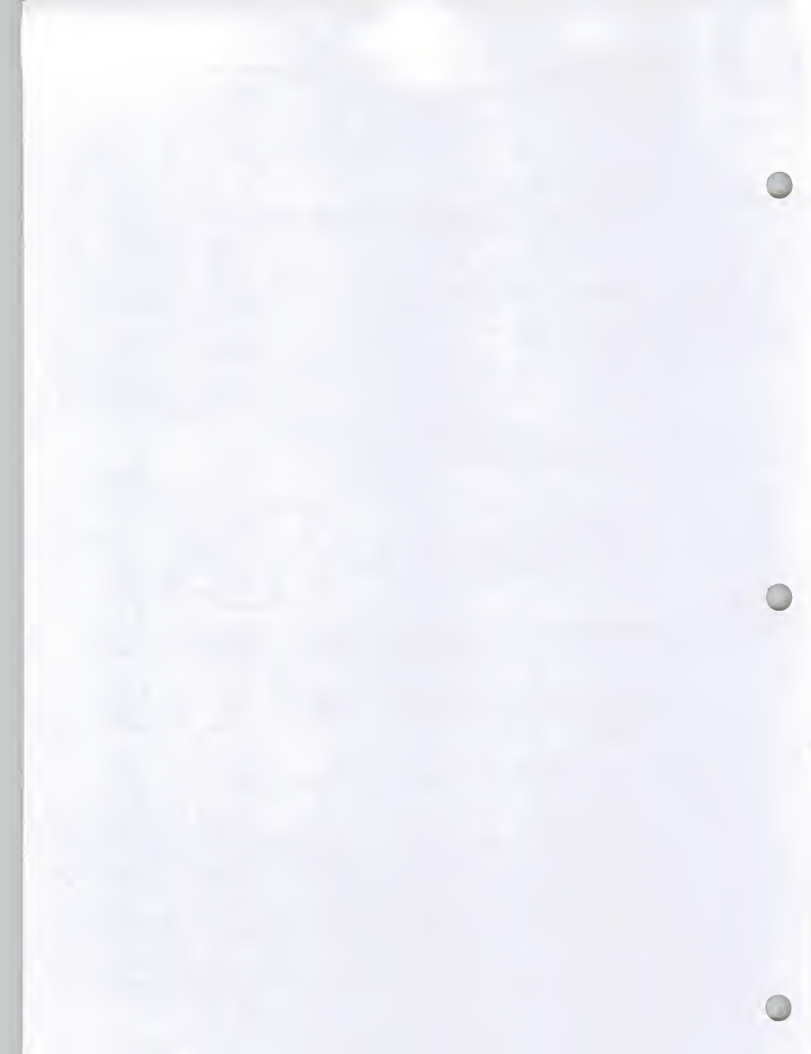
	1995 £	1994 £
Bank overdraft	-	184

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995 £	1994 £
Based on profit for the year:		
Corporation tax 25%	48,941	1,836
Overprovision in previous year	(444)	-
Deferred taxation (note 11)	1,428	-
	49,925	1,836

### 7. FIXED ASSETS

	Leasehold improvements £	Fixtures & Fittings £	Computer Software £	Total £
Cost:				
At 1 January 1995	6,000	58,472	14,173	78,645
Additions	43,690	49,640	5,607	98,937
Disposals	-	(11,051)	(4,908)	(15,959)
At 31 December 1995	49,690	97,061	14,872	161,623
Accumulated depreciation:				
At 1 January 1995	53	30,010	11,411	41,474
Charge for the year	2,595	11,637	1,846	16,078
Disposals	-	(4,451)	(4,178)	(8,629)
At 31 December 1995	2,648	37,196	9,079	48,923
Net book value:				
At 31 December 1995	47,042	59,865	5,793	112,700
At 31 December 1994	5,947	28,462	2,762	37,171





# INPUT Limited

## NOTES TO THE ACCOUNTS at 31 December 1995

### 8. DEBTORS

	1995 £	1994 £
Trade debtors	130,749	177,204
Amount due from associated undertakings	310,824	204,912
Prepayments and accrued income	45,396	66,180
Deposits	100	12,350
	<u>487,069</u>	<u>460,646</u>

### 9. CASH AND CASH EQUIVALENTS

	1995 £	Change in year £	1994 £	Change in year £	1993 £
Cash at bank and in hand	67,303	(58,754)	126,057	117,743	8,314
Bank overdraft	-	18,037	(18,037)	(9,560)	(8,477)
	<u>67,303</u>	<u>(40,717)</u>	<u>108,020</u>	<u>108,183</u>	<u>(163)</u>

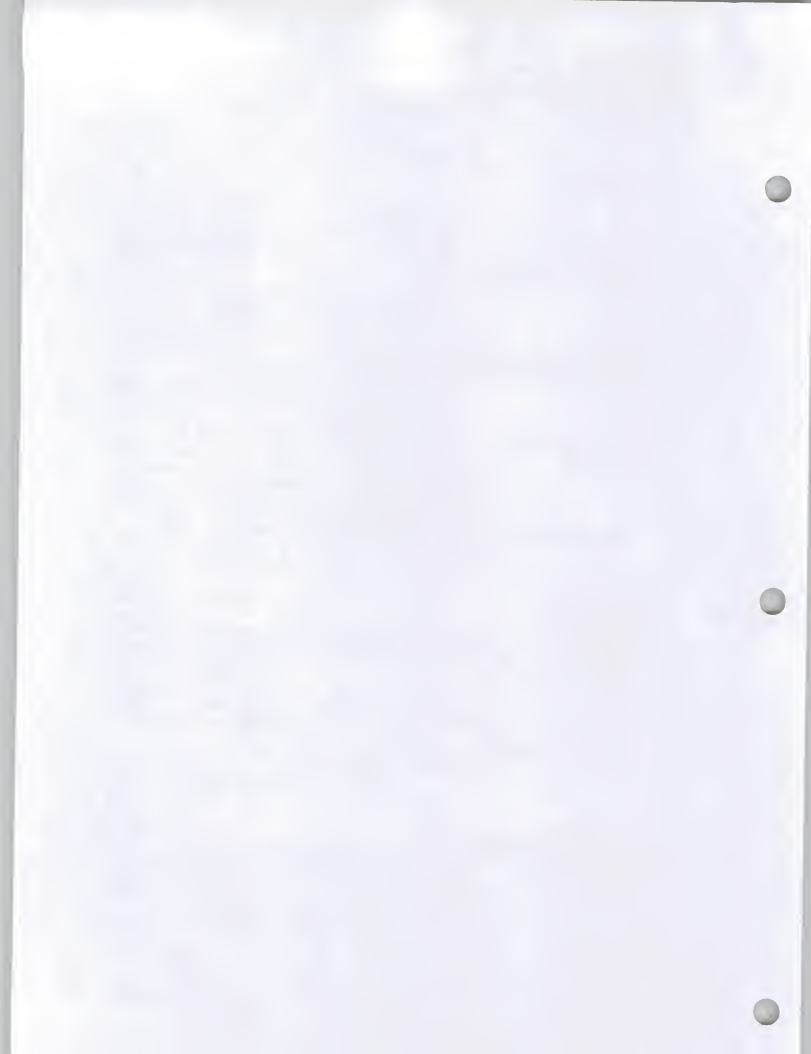
### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
Bank overdraft	-	18,037
Corporation tax	48,497	1,836
Payable to parent undertaking	-	83,394
Deferred revenue	326,408	381,611
Trade creditors	71,833	22,908
Other taxes and social security costs	22,312	27,155
Accruals	37,796	34,284
	<u>506,846</u>	<u>569,225</u>

### 11. DEFERRED TAXATION

The movements in deferred taxation during the current year are as follows:-

	1995 £	1994 £
At 1 January	-	-
Charge for the year (note 6)	1,428	-
At 31 December	<u>1,428</u>	<u>-</u>



# INPUT Limited

## NOTES TO THE ACCOUNTS at 31 December 1995

### 12. SHARE CAPITAL

	1995 No.	Authorised 1994 No.	1995 £	Allotted, called up and fully paid 1994 £
Ordinary shares of £1 each	100	100	2	2

The parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the company is a member is INPUT, incorporated in the United States of America. INPUT is also the ultimate parent company.

Copies of INPUT's accounts can be obtained from INPUT, 1280 Villa Street, Mountain View, CA 94041.

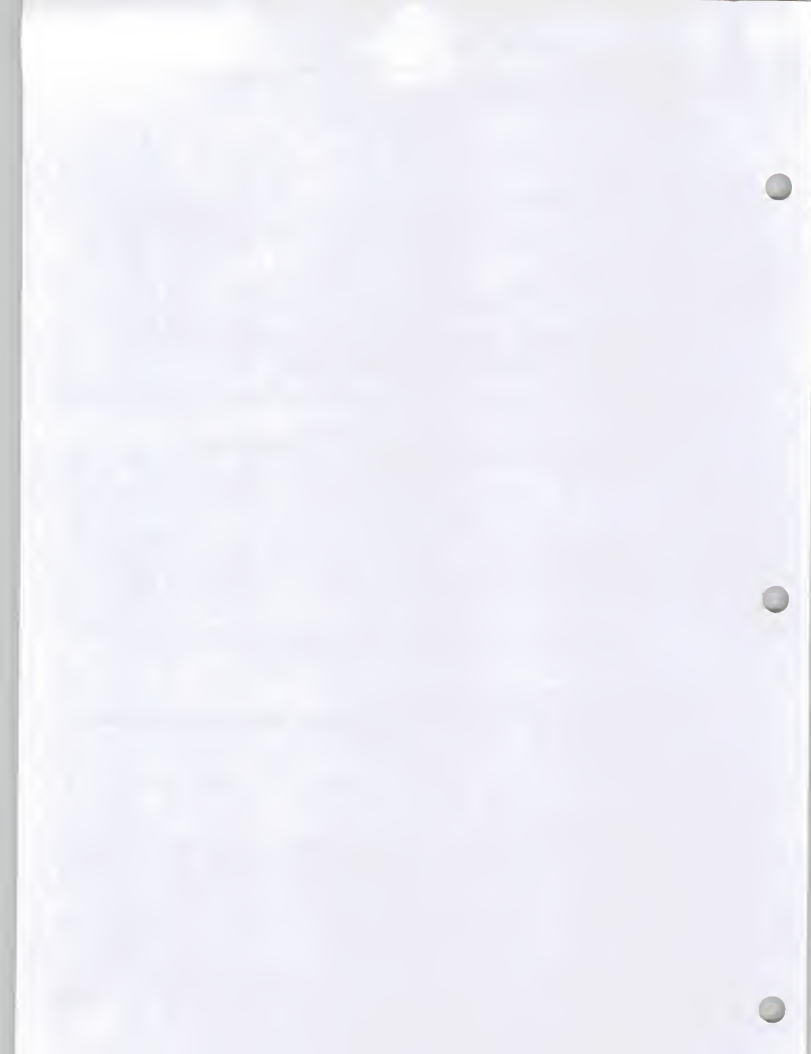
### 13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital £	Share Premium £	Profit and loss account £	Total £
At 1 January 1994	2	7,078	(125,142)	(118,062)
Profit for the year	-	-	172,711	172,711
At 1 January 1995	2	7,078	47,569	54,649
Profit for the year	-	-	104,149	104,149
At 31 December 1995	2	7,078	151,718	158,798

### 14. OTHER FINANCIAL COMMITMENTS

At 31 December 1994 the company had annual commitments under non-cancellable operating leases as set out below:

<i>Land and buildings</i>	1995 £	1994 £
Operating leases which expire: within two-five years	39,892	61,930



# INPUT Limited

## DETAILED PROFIT AND LOSS ACCOUNT for the year ended 31 December 1995

	1995 £	1994 £
Sales	1,348,629	1,082,013
<b>EXPENSES</b>		
Salaries	512,417	378,610
Commissions – salesmen	46,129	43,787
Bonus	11,596	-
Consultancy	122,815	148,917
Medical and life insurance	2,934	9,232
Supplies	34,051	33,797
Printing	62,409	58,245
Postage	39,448	36,766
Subscriptions	8,061	6,991
Equipment rental	280	1,151
Rent and rates	94,393	62,392
Depreciation	16,078	8,679
Telephone	48,035	41,556
Advertising and marketing	14,861	29,964
Legal and professional	37,551	27,228
Data processing	5,902	6,774
Travel and subsistence	77,337	76,163
Recruiting and training	32,814	11,069
Insurance	8,110	3,825
Exchange loss/(profit)	(9,550)	25,879
Brochures and literature	12,353	(4,203)
Other services	16,499	4,308
Equipment maintenance	2,669	1,158
Doubtful debt expense	-	(105,006)
	1,197,192	907,282
Trading profit for the year	151,437	174,731
<b>OTHER INCOME/(EXPENDITURE)</b>		
Interest payable	-	(184)
Interest receivable	2,637	-
Net profit for the year	154,074	174,547









**SARL INPUT**  
**ETATS FINANCIERS**  
**AU 31 DECEMBRE 1995**

**24, Rue du Recteur Poincaré**  
**75016 PARIS**

**RCS : PARIS B 347 726 440**  
**SIRET : 347 726 440 00012**  
**APE : 741E**



Date 12/31/95  
12-95-1232

INPUT - France  
Profit & Loss Statement  
For the Period 01/01/96 Through 12/31/95

FINAL @ 7/18/96

Page 1  
Rept 2107

Account Description	Current Period			Year-To-Date			Prior Y-T-D
	Actual	Budget	Variance	Actual	Budget	Variance	
REVENUE:							
Desktop Svc's Program	80,370	120,695	-40,325	882,659	1,191,092	-308,433	595,739
Reports/Copies	0	0	0	207,200	0	207,200	0
Custom Revenue	-15,688	60,000	+75,688	68,300	207,000	-238,700	0
Custom Revenue	35,000	0	35,000	49,000	0	49,000	0
Custom Revenue	2,688	0	2,688	55,200	0	55,200	0
Presentations	30,000	0	30,000	30,000	0	30,000	3,645
Seminars	12,188	0	12,188	67,388	0	67,388	93,767
Royalty Revenue	620,540	0	620,540	620,540	0	620,540	0
Royalty Revenue	-143,850	675,000	-818,850	3,221,200	4,235,000	-1,013,800	3,330,485
Royalty Expense	-325,270	0	-325,270	-325,270	0	-325,270	0
Royalty Expense	98,120	-337,500	435,620	-1,629,405	-2,117,500	488,095	-1,663,786
Other Income	28,000	0	28,000	28,000	0	28,000	0
Royalty Revenue/Expense	422,098	518,195	-96,097	3,274,812	3,615,592	-340,780	2,359,850
TOTAL REVENUE	422,098	518,195	-96,097	3,274,812	3,615,592	-340,780	2,359,850
EXPENSES:							
Operations							
Labor	45,513	51,000	5,485	270,051	280,506	10,455	21,847
Travel & Entertainment	526	0	-526	1,770	0	-1,770	0
Other Staff Costs	33,565	6,300	-27,265	105,203	68,400	-36,803	0
Other Costs	5,928	2,660	-3,268	32,949	31,920	-2,029	0
	0	0	0	42	0	-42	0
	0	0	0	363	0	-363	0
Total Operations	85,534	59,960	-25,574	411,378	380,826	-30,552	21,847
Sales							
Labor	144,988	95,823	-49,155	820,267	825,674	-5,407	978,408
Other Staff Costs	205,954	29,145	-176,809	418,611	258,463	-160,148	318,304
Materials	9,983	12,917	2,934	147,041	155,004	7,963	171,242
Travel & Entertainment	12,929	10,000	-2,929	165,908	120,000	-45,908	124,282
Currency Gain or Loss	-57,252	0	57,252	-111,935	0	111,935	-356,130
Other Costs	-4,839	16,650	21,489	101,346	139,800	38,454	105,971
Total Sales	311,763	164,545	-147,218	1,551,228	1,498,941	-52,287	1,342,077
Administration							
Labor	21,661	16,062	-5,599	188,733	173,340	-15,393	0
Other Staff Costs	27,994	4,820	-23,174	79,492	51,963	-27,529	0
Accounting	24,472	9,160	-15,312	134,392	109,920	-24,472	0
Buildings & Equip.	23,613	20,250	-3,363	256,058	243,000	-13,058	207,622
Other	5,512	0	-5,512	6,290	0	-6,290	0
	1,309	0	-1,309	3,129	0	-3,129	0
Central Finance	5,363	5,873	490	72,903	70,476	-2,427	78,926
Non Income Tax Expense	33,182	0	-33,182	33,182	0	-33,182	0
Total Administration	143,126	56,165	-86,961	774,160	648,699	-125,461	286,558
TOTAL	540,423	280,670	-259,753	2,736,765	2,528,466	-208,299	1,650,482
CORPORATE CHARGE:	7,750	7,750	0	93,000	93,000	0	114,852
TOTAL EXPENSES	548,173	288,420	-259,753	2,829,765	2,621,466	-208,299	1,765,334
NET INCOME BEFORE BONUS	-126,075	239,775	-355,850	445,047	994,126	-549,079	594,516
Bonus/Profit Sharing	186,980	0	-186,980	224,333	0	-224,333	0



Date 12/31/95  
 12-95-1232

INPUT - FRANCE  
 Profit & Loss Statement  
 For the Period 01/01/95 Through 12/31/95

Account Description	- - - Current Period - - -			- - - Year-To-Date - - -			- Prior -	
	Actual	Budget	Variance	Actual	Budget	Variance	- Y-T-D -	
NET INCOME AFTER BONUS	-312,055	229,775	-542,830	220,714	994,126	-773,412	594,516	
Taxes Corporation <i>- Prof. taxes.</i>	0	0	0	16,468	0	-16,468	0	
NET INCOME AFTER TAX	-312,055	229,775	-542,830	204,249	994,126	-789,877	594,516	

204,249  
 160.000 TAX RISK  
 1,936 1994 ADS  
 (already in US  
 Books.  
 FF 42,313 FRENCHE BOOKS



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## ATTESTATION

Dans le cadre de la mission d'établissement des comptes annuels de la SARL INPUT pour l'exercice du 1er janvier 1995 au 31 décembre 1995, et conformément aux termes de notre lettre de mission en date du 9 mai 1994, nous avons effectué les diligences que nous avons définies d'un commun accord et nous avons respecté les normes générales de l'Ordre des Experts Comptables .

Je vous rappelle que la présente mission n'entre pas dans le champ d'application des normes de présentation, examen ou audit des comptes.

Les Comptes Annuels ci-joints, qui se caractérisent par les données suivantes :

- Total du bilan..... FF. 2.584.186.
- Chiffre d'affaires..... FF. 5.201.597.
- Résultat net comptable..... FF. 42.312.

ont été établis à partir des informations communiquées par l'entreprise.

J'ai à faire les observations suivantes :

- les écarts de conversion ne sont pas enregistrés,
- les comptes inter-compagnies ne sont pas justifiés,

Fait à Paris, le 10 juillet 1996

Pour AUDIT EXPERTISE SERVICES

Christine COSTARD  
Expert Comptable, Associée.



## BILAN ACTIF

RUBRIQUES	Montant Brut	Amortissements	Net 31/12/95 [12]	Net 31/12/94 [12]
Capital souscrit non appelé				
<b>IMMOBILISATIONS INCORPORELLES</b>				
Frais d'établissement				
Frais de recherche et développement				
Concessions, brevets, droits similaires				
Fonds commercial				
Autres immobilisations incorporelles				
Avances, acomptes/immobil.incorpor.				
<b>IMMOBILISATIONS CORPORELLES</b>				
Terrains				
Constructions				
Installations techniques, outillage				
Autres immobilisations corporelles	371 283	250 647	120 636	114 860
Immobilisations en cours				
Avances et acomptes				
<b>IMMOBILISATIONS FINANCIERES</b>				
Participations par M.E.				
Autres participations				
Créances rattachées à participations				
Autres titres immobilisés				
Prêts				
Autres immobilisations financières	31 662		31 662	31 662
<b>ACTIF IMMOBILISE</b>	<b>402 945</b>	<b>250 647</b>	<b>152 298</b>	<b>146 522</b>
<b>STOCKS ET EN-COURS</b>				
Stocks de matières premières				
Stocks d'en-cours de production biens				
Stocks d'en-cours production services				
Stocks produits intermédiaires, finis				
Stocks de marchandises				
Avances, acomptes versés sur commandes				
<b>CREANCES</b>				
Créances clients et comptes rattachés	2 244 818		2 244 818	1 667 161
Autres créances	14 546		14 546	47 323
Capital souscrit, appelé non versé				
Valeurs mobilières de placement				
Disponibilités	136 523		136 523	85 446
<b>COMPTES DE REGULARISATION</b>				
Charges constatées d'avance	36 000		36 000	
<b>ACTIF CIRCULANT</b>	<b>2 431 887</b>		<b>2 431 887</b>	<b>1 799 930</b>
Charges à répartir s/plrs exercices				
Primes remboursement des obligations				
Ecart de conversion actif				
<b>TOTAL GENERAL</b>	<b>2 834 833</b>	<b>250 647</b>	<b>2 584 186</b>	<b>1 946 451</b>



## BILAN PASSIF

RUBRIQUES	31/12/95 [12]	31/12/94 [12]
Capital social ou individuel dont versé 50 000	50 000	50 000
Primes d'émission, de fusion, d'apport,....		
Ecart de réévaluation dont écart équivalence		
Réserve légale		
Réserves statutaires, contractuelles		
Réserves réglementées		
Autres réserves		
Report à nouveau	<312 201>	<996 175>
<b>RESULTAT DE L'EXERCICE</b>	42 312	683 974
Subventions d'investissement		
Provisions réglementées		
<b>CAPITAUX PROPRES</b>	<219 889>	<262 201>
Produits des émissions de titres participatifs		
Avances conditionnées		
<b>AUTRES FONDS PROPRES</b>		
Provisions pour risques	160 000	
Provisions pour charges		
<b>PROVISIONS POUR RISQUES ET CHARGES</b>	160 000	
<b>DETTES FINANCIERES</b>		
Emprunts obligataires convertibles		
Autres emprunts obligataires		
Emprunts et dettes auprès établissements de crédit		
Emprunts et dettes financières divers		
Avances et acomptes reçus sur commandes en cours		
<b>DETTES D'EXPLOITATION</b>		
Dettes fournisseurs et comptes rattachés	1 219 593	1 524 372
Dettes fiscales et sociales	1 085 040	565 679
<b>DETTES DIVERSES</b>		
Dettes sur immobilisations et comptes rattachés		
Autres dettes		
<b>COMPTES DE REGULARISATION</b>		
Produits constatés d'avance	339 442	118 601
<b>DETTES</b>	2 644 075	2 208 652
Ecart de conversion passif		
<b>TOTAL GENERAL</b>	2 584 186	1 946 451

Résultat de l'exercice en centimes

42 312.08

Total du bilan en centimes

2 584 185.73



## COMPTE DE RESULTAT Première partie

RUBRIQUES	France	Export	31/12/95 [12]	31/12/94 [12]
Ventes de marchandises				
Production vendue de biens				
Production vendue de services	5 108 509	93 088	5 201 597	4 023 636
<b>CHIFFRES D'AFFAIRES NETS</b>	5 108 509	93 088	5 201 597	4 023 636
Production stockée				
Production immobilisée				
Subventions d'exploitation				
Reprises amortissements-provis., transfert charges				
Autres produits				44 681
<b>— PRODUITS D'EXPLOITATION</b>			5 201 597	4 068 316
Achats de marchandises [et droits de douane]				
Variation de stock de marchandises				
Achats matières premières et approvisionnements				
Variation de stock [matières premières, approvis.]				
Autres achats et charges externes			2 925 313	2 575 398
Impôts, taxes et versements assimilés			31 125	48 599
Salaires et traitements			1 483 501	907 372
Charges sociales			619 858	319 664
Dotations amortissements sur immobilisations			54 498	39 265
Dotations aux provisions sur immobilisations				
Dotations aux provisions sur actif circulant				
Dotations provisions pour risques et charges			160 000	
Autres charges				
<b>— CHARGES D'EXPLOITATION</b>			5 274 296	3 890 298
<b>RESULTAT D'EXPLOITATION</b>			<72 699>	178 018
Bénéfice attribué ou Perte transférée				
Perte supportée ou Bénéfice transféré				
Produits financiers de participation				
Produits autres valeurs mobilières, créances immb.				
Autres intérêts et produits assimilés				
Reprises sur provisions et transferts de charges				
Différences positives de change			111 935	520 947
Produits nets cession valeurs mobilières placement				
<b>— PRODUITS FINANCIERS</b>			111 935	520 947
Dotations financières amortissements et provisions				
Intérêts et charges assimilés			2 496	4 492
Différences négatives de change			1 936	
Charges nettes cession valeurs mobil. placement				
<b>— CHARGES FINANCIERES</b>			4 432	4 492
<b>RESULTAT FINANCIER</b>			107 503	516 455
<b>RESULTAT COURANT AVANT IMPOTS</b>			34 804	694 474





## COMPTE DE RESULTAT Deuxième partie

RUBRIQUES	31/12/95 [12]	31/12/94 [12]
Produits exceptionnels sur opérations de gestion Produits exceptionnels sur opérations en capital Reprises sur provisions et transferts de charges	28 000	
<b>— PRODUITS EXCEPTIONNELS —</b>	28 000	
Charges exceptionnelles sur opérations de gestion Charges exceptionnelles sur opérations en capital Dotations exceptionnelles amortissemnts,provisions	9 992	
<b>— CHARGES EXCEPTIONNELLES —</b>	9 992	
<b>RESULTAT EXCEPTIONNEL</b>	18 008	
Participation salariés aux fruits de l'expansion Impôts sur les bénéfices	10 500	10 500
<b>TOTAL DES PRODUITS</b>	5 341 532	4 589 264
<b>TOTAL DES CHARGES</b>	5 299 220	3 905 290
<b>BENEFICE OU PERTE</b>	42 312	683 974







Finanial  
Buch in Cl  
GY 1995

## JAHRESABSCHLUSS

per 31. Dezember 1995

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der

Input GmbH, Perchstätten 16, LANGGÖNS

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**HAAS & HAAS**

WIRTSCHAFTSPRÜFER · STEUERBERATER · RECHTSANWÄLTE

GIESSEN




Der Jahresabschluß 1995 der

Input GmbH


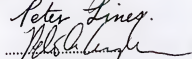
wurde von uns aufgrund der uns vorgelegten Bücher und Bestandsnachweise sowie der erteilten Auskünfte der Input GmbH erstellt.

Gießen, den 05. Mai 1997



  
HAAS & HAAS  
Wirtschaftsprüfer  
Steuerberater  
Rechtsanwälte

Langgöns, den 3rd July 1997

  
Peter Linig.  
  
(Unterschrift)





## BILANZ

INPUT GmbH, Langgöns

zum

31. Dezember 1995

## AKTIVA

## PASSIVA

	DM		DM		DM		DM	
	Buchwert 01.07.1995	Zugänge	Abgänge	Abschreibungen	Buchwert 31.12.1995			
	DM	DM	DM	DM	DM			
<b>A. Anlagevermögen</b>						<b>A. Eigenkapital</b>		
<b>I. Immaterielle Vermögensgegenstände</b>						I. Gezeichnetes Kapital		50.000,00
1. Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten	0,00	725,00	0,00	73,00	652,00	II. Jahresfehlbetrag		309.977,03-
Summe immaterielle Vermögensgegenstände	0,00	725,00	0,00	73,00	652,00	<b>B. Rückstellungen</b>		
<b>II. Sachanlagen</b>						1. sonstige Rückstellungen		22.500,00
1. andere Anlagen, Betriebs- und Geschäftsausstattung	0,00	29.336,01	981,14	5.333,87	23.021,00	<b>C. Verbindlichkeiten</b>		
Summe Sachanlagen	0,00	29.336,01	981,14	5.333,87	23.021,00	1. Verbindlichkeiten aus Lieferungen und Leistungen	59.277,45	
Summe Anlagevermögen	0,00	30.061,01	981,14	5.406,87	23.673,00	2. Verbindlichkeiten gegenüber verbundenen Unternehmen	332.113,95	
						3. sonstige Verbindlichkeiten	44.703,39	436.094,79
<b>B. Umlaufvermögen</b>						<b>D. Rechnungsabgrenzungsposten</b>		222.264,00
<b>I. Forderungen und sonstige Vermögensgegenstände</b>								
1. Forderungen aus Lieferungen und Leistungen				140.593,16				
2. sonstige Vermögensgegenstände				3.822,89				
3. Umsatzsteuerforderung				1.559,06	145.975,11			
<b>II. Flüssige Mittel</b>								
1. Kassenbestand, Bundesbank- und Postguthaben				354,41				
2. Guthaben bei Kreditinstituten				249.924,04	250.278,45			
<b>C. Rechnungsabgrenzungsposten</b>					955,20			
					420.881,76			420.881,76



## GEWINN- UND VERLUSTRECHNUNG vom 01.07.1995 bis 31.12.1995

INPUT GmbH, Langgöns

	DM	DM	%
1. Umsatzerlöse		556.192,30	100,00
2. sonstige betriebliche Erträge		965,80	0,17
3. Materialaufwand			
a) Aufwendungen für Roh-, Hilfs- und Betriebsstoffe und für bezogene Waren	196,97-		
b) Aufwendungen für bezogene Leistungen	<u>415.684,00</u>	415.487,03	74,70
4. Personalaufwand			
a) Löhne und Gehälter	174.400,38		
b) soziale Abgaben und Aufwendungen für Altersversorgung und Unterstützung	<u>28.700,94</u>	203.101,32	36,51
5. Abschreibungen			
a) auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen		5.406,87	0,97
6. sonstige betriebliche Aufwendungen		243.350,08	43,75
7. sonstige Zinsen und ähnliche Erträge		<u>210,17</u>	0,03
8. Ergebnis der gewöhnlichen Geschäftstätigkeit		309.977,03-	55,70
9. Jahresfehlbetrag		<u>309.977,03</u>	55,73



## KONTENNACHWEIS zur Bilanz zum 31.12.1995

INPUT GmbH, Langgöns

## AKTIVA

Konto	Bezeichnung	DM	DM
	Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten		
0027	COMPUTER SOFTWARE		652,00
	andere Anlagen, Betriebs- und Geschäftsausstattung		
0410	OFFICE EQUIPMENT	21.933,00	
0420	FURNITURE & FIXTURES	1.088,00	
0480	LOW VALUE ASSETS UP TO DM 800	<u>0,00</u>	23.021,00
	Forderungen aus Lieferungen und Leistungen		
1400	ACCOUNTS RECEIVABLE - TRADE		140.593,16
	sonstige Vermögensgegenstände		
1530	ACCOUNTS RECEIVABLE - SOLBACH	837,28	
1548	VAT RECEIVABLE IN THE NEXT YEAR	2.661,99	
1600	ACCOUNTS PAYABLE	<u>323,62</u>	3.822,89
	Umsatzsteuerforderung		
1570	VAT RECEIVABLE	2.178,36	
1571	VAT RECEIVABLE 7 %	135,99	
1576	VAT RECEIVABLE 15 %	18.983,97	
1776	SALES/VALUE ADDED TAX	80.455,26-	
1780	VALUE ADDED TAX ADVANCE PAYMENT	<u>60.716,00</u>	1.559,06
	Kassenbestand, Bundesbank- und Postgiroguthaben		
1000	PETTY CASH		354,41
	Guthaben bei Kreditinstituten		
1200	BANK		249.924,04
	Rechnungsabgrenzungsposten		
0980	PREPAID EXPENSES		<u>955,20</u>
	Summe Aktiva		<u>420.881,76</u>



## KONTENNACHWEIS zur Bilanz zum 31.12.1995

INPUT GmbH, Langgöns

## PASSIVA

Konto	Bezeichnung	DM	DM
0800	Gezeichnetes Kapital CAPITAL STOCK		50.000,00
0000	Jahresfehlbetrag VERLUST		309.977,03-
	sonstige Rückstellungen		
0974	ACCRUED MISCELLANEOUS	7.500,00	
0977	ACCRUALS FOR ANNUAL FINANCIAL STATEMENTS	<u>15.000,00</u>	22.500,00
	Verbindlichkeiten aus Lieferungen und Leistungen		
1600	ACCOUNTS PAYABLE		59.277,45
	Verbindlichkeiten gegenüber verbundenen Unternehmen		
1630	INTER CO. PAYABLES US	109.471,00	
1631	INTER CO. PAYABLES UK	<u>222.642,95</u>	332.113,95
	sonstige Verbindlichkeiten		
1400	ACCOUNTS RECEIVABLE - TRADE	3.335,00	
1736	ACCOUNTS PAYABLE INCOME TAX	26.583,90	
1741	ACCOUNTS PAYABLE WAGE TAX	6.845,59	
1742	ACCOUNTS PAYABLE SOCIAL SECURITY	<u>7.938,90</u>	44.703,39
	Rechnungsabgrenzungsposten		
0990	DEFERRED INCOME 15%	212.264,00	
0991	DEFERRED INCOME FREE	<u>10.000,00</u>	<u>222.264,00</u>
	Summe Passiva		<u>420.881,76</u>





KONTENNACHWEIS zur G.u.V. vom 01.07.1995 bis 31.12.1995

INPUT GmbH, Langgöns

Konto	Bezeichnung	DM	DM
	<b>Umsatzerlöse</b>		
8000	PROGRAM REVENUE FREE	218.255,90	
8003	REPORTS/COPIES FREE	4.132,00	
8008	ROYALTY REVENUE FREE	9.700,00	
8400	PROGRAM REVENUE 15%	135.886,00	
8401	CUSTOM REVENUE 15%	6.718,40	
8403	REPORTS/COPIES 15%	70.900,00	
8408	ROYALTY REVENUE 15%	<u>110.600,00</u>	556.192,30
	<b>sonstige betriebliche Erträge</b>		
2700	OTHER INCOME 15%		965,80
	<b>Aufwendungen für Roh-, Hilfs- und Betriebsstoffe und für bezogene Waren</b>		
3730	CASH DISCOUNTS		196,97
	<b>Aufwendungen für bezogene Leistungen</b>		
3100	RESEARCH-OUTSIDE CONSULTANTS	29.334,00-	
3150	PERFORMANCE OF FOREIGN CORPORATION	<u>386.350,00-</u>	415.684,00-
	<b>Löhne und Gehälter</b>		
4120	PAYROLL ADMIN.	18.000,00-	
4121	PAYROLL SALE	70.002,00-	
4122	PAYROLL RESEARCH	71.006,67-	
4124	BONUS RESEARCH	5.285,00-	
4190	PART-TIME WAGES	8.620,50-	
4191	PART-TIME WAGE TAX	<u>1.486,21-</u>	174.400,38-
	<b>soziale Abgaben und Aufwendungen für Altersversorgung und Unterstützung</b>		
4130	SOCIAL SECURITY CONTR. ADMIN.	3.583,16-	
4131	SOCIAL SECURITY CONTR. SALE	10.405,48-	
4132	SOCIAL SECURITY CONTR. RESEARCH	10.957,12-	
4135	WORKMAN S COMPENSATION	2.309,66-	
4138	WORKMAN S COMPENSATION	1.319,19-	
4141	OTHER STAFF COSTS	<u>126,33-</u>	28.700,94-
	<b>Abschreibungen</b>		
	<b>auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen</b>		
4830	ACCUMULATED DEPRECIATION	2.357,92-	
4855	IMMEDIATE DEPR. OF LOW VALUE ASSETS	<u>3.048,95-</u>	5.406,87-
Übertrag auf Blatt 6			66.837,12-



KONTENNACHWEIS zur G.u.V. vom 01.07.1995 bis 31.12.1995

INPUT GmbH, Langgöns

Konto	Bezeichnung	DM	DM
Übertrag von Blatt	5		66.837,12-
	<b>sonstige betriebliche Aufwendungen</b>		
2150	EXCHANGE LOSSES	2.940,15-	
4210	BUILDING RENT	15.954,00-	
4240	GAS, ELECRICITY, WATER	3.233,81-	
4280	ESTATE AGENT	5.000,00-	
4360	INSURANCE CORPORATE	861,90-	
4380	CONTRIBUTIONS	40,00-	
4650	ENTERTAINMENT ADMIN.	1.756,26-	
4651	ENTERTAINMENT SALE	2.053,82-	
4652	ENTERTAINMENT RESEARCH	494,83-	
4660	TRAVEL/LODGING ADMIN.	1.384,26-	
4661	TRAVEL/LODGING SALE	35.586,39-	
4662	TRAVEL/LODGING RESEARCH	3.691,35-	
4666	DAILY ALLOWANCE SALE	1.661,64-	
4668	DAILY ALLOWANCE RESEARCH	159,60-	
4684	MILEAGE ALLOWANCE ADMIN.	23,39-	
4685	MILEAGE ALLOWANCE SALE	8.459,88-	
4686	MILEAGE ALLOWANCE RESEARCH	389,40-	
4800	EQUIPMENT MAINTENANCE	69,00-	
4805	REPARATUR/INSTANDH. BETRIEBS- U. GESCH.	120,00-	
4910	POSTAGE	12.279,78-	
4911	POSTAGE COST FROM CENTRAL PRODUCTION	1.770,20-	
4912	COURIER	340,14-	
4920	TELEPHONE	22.963,56-	
4930	OFFICE SUPPLIES	14.001,91-	
4940	BROCHURES/LITERATURE/ADVERT.	1.180,02-	
4945	SEMINAR	790,00-	
4946	CONFERENCE	690,90-	
4950	LEGAL	61.950,45-	
4955	ACCOUNTING	7.500,00-	
4957	COSTS FOR ANNUAL FINANCIAL STATEMENTS	15.000,00-	
4960	LEASING EXPENSES TELEPHONE	427,50-	
4970	BANK CHARGES	817,94-	
4971	FINANCE CHARGE	3.925,00-	
4972	CORPORATE CHARGE	15.000,00-	
4973	LABOR COST FROM CENTRAL PRODUCTION	605,00-	
4974	MATERIAL COST FROM CENTRAL PRODUCTION	228,00-	
			243.350,08-
	<b>sonstige Zinsen und ähnliche Erträge</b>		
2650	INTEREST INCOME		210,17
	<b>Jahresfehlbetrag</b>		
0000	VERLUST		309.977,03-



KONTOKORRENT zum 31.12.1995

INPUT GmbH, Langgöns

## DEBITORENAUFSTELLUNG

Debitoren mit Soll-Saldo

Konto	Name	Soll	Soll
		DM	DM
10002	ALLDATA HOLDING GMBH	46.000,00	
10200	BULL AG, KÖLN	10.925,00	
10202	BOOZ, ALLEN & HAMILTON GMBH	9.085,00	
10400	COMPAQ COMPUTER EMEA GMBH, MÜNCHEN	34.500,00	
10600	DIGITAL EQUIPMENT GMBH	5.635,00	
10601	DEBIS SYSTEMHAUS GMBH, FREIDRICHSHAFEN	5.635,00	
10603	DATA GENERAL GMBH	22,00	
10800	ELSAT INTERNATIONAL GMBH	22,00	
11200	GSS, LEINFELDEN	9.085,00	
11400	HEWLETT-PACKARD S.A. SCHWEITZ	2.900,00	
11401	HEWLETT PACKARD GMBH, BÖBLINGEN	5.311,16	
11800	JOANNEUM RESEARCH FORSCHUNGS GMBH	22,00	
13000	PAULSBERGER E. GEORG, SALZBURG	22,00	
13600	SAP AG, WALLDORF	11.385,00	
13609	SAFE CONCEPT GMBH	22,00	
13801	TECHNIKUM KARNTEN	22,00	
			140.593,16
			<u>140.593,16</u>



KONTOKORRENT zum 31.12.1995

INPUT GmbH, Langgöns

## DEBITORENAUFSTELLUNG

Debitoren mit Haben-Saldo

Konto	Name	Haben DM	Haben DM
10201	BOSCH TELEKOM GMBH, FRANKFURT		<u>3.335,00</u>
			<u>3.335,00</u>





KONTOKORRENT zum 31.12.1995

INPUT GmbH, Langgöns

## KREDITORENAUFSTELLUNG

Kreditoren mit Haben-Saldo

Konto	Name	Haben DM	Haben DM
70201	BÜROMATIC DATZ + OTTGMBH, LANGGÖNS	189,75	
70202	BRILL RAINER - VERMIETUNG	5.977,33	
70203	DR. BREZSKI, EBERHARD	7.334,00	
70204	BUNDESAMT FÜR STAT. BERN, SCHWEIZ	35,90	
70205	BERUFSGENOSSENSCHAFT	1.319,19	
70303	COMPUTERWOCHE VERLAG GMBH	292,99	
70801	EURO LLOYD REISEBÜRO	2.433,40	
70803	ERNST & YOUNG GMBH	32.892,83	
70804	ERNST & LEMMER GMBH	6.424,24	
71000	FREEWAY NETSERVER GMBH I. GR.	356,50	
71400	HUTCHISO MOBILFUNK GMBH	240,83	
73001	PRO OFFICE, HEUCHELHEIM	819,67	
73600	STAFADRUCK GMBH, HÜTTENBERG	960,82	
			<u>59.277,45</u>
			<u>59.277,45</u>



KONTOKORRENT zum 31.12.1995

INPUT GmbH, Langgöns

## KREDITORENAUFSTELLUNG

Kreditoren mit Soll-Saldo

		Soll	Soll
Konto	Name	DM	DM
72800	OAVG ENERGIE UND WASSER, FRIEDBERG		<u>323,62</u>
			<u>323,62</u>



## Entwicklung des Anlagevermögens vom 01.07.1995 bis 31.12.1995

to	Bezeichnung	Entwicklung der	Stand zum 01.07.1995 DM	Zugang Abgang- DM	Umbuchung DM	Abschreibung Zuschreibung- DM	Stand zum 31.12.1995 DM
7	EDV-Software	Ansch-/Herst-K Abschreibung Buchwerte	5,00	725,00 73,00 725,00		73,00	725,00 73,00 652,00
1)	Geschäftsaus- stattung	Ansch-/Herst-K  Abschreibung Buchwerte	0,00	24.096,05  2.163,05 24.096,05		2.163,05	24.096,05  2.163,05 21.933,00
1)	Büroeinrichtung	Ansch-/Herst-K Abschreibung Buchwerte	0,00	1.209,87 121,87 1.209,87		121,87	1.209,87 121,87 1.088,00
1e		Ansch-/Herst-K Abschreibung Buchwerte	0,00	26.030,92 2.357,92 26.030,92		2.357,92	26.030,92 2.357,92 23.673,00



it GmbH  
8 Langgöns

Blatt 2

Entwicklung des Anlagevermögens vom 01.07.1995 bis 31.12.1995

o ntar	Bezeichnung Inventarbezeichnung	Datum AfA-Art ND	%	Entw. der	Stand zum 01.07.1995 DM	Zugang Abgang- DM	Umbuchung DM	Abschreibung Zuschreibung- DM	Stand zum 31.12.1995 DM
	EDV-Software								
11	Microsoft Office Standard	01.07.1995 linear 05/00	20,00	AHK Absch BW	0,00	725,00 73,00 725,00		73,00	725,00 73,00 652,00
e	EDV-Software			AHK Absch BW	0,00	725,00 73,00 725,00		73,00	725,00 73,00 652,00





t GmbH  
8 Langgöns

## Entwicklung des Anlagevermögens vom 01.07.1995 bis 31.12.1995

Blatt 3

o ntar	Bezeichnung Inventarbezeichnung	Datum AfA-Art ND	%	Entw. der	Stand zum 01.07.1995 DM	Zugang Abgang- DM	Umbuchung DM	Abschreibung Zuschreibung- DM	Stand zum 31.12.1995 DM
	Geschäftsaus- stattung								
11	PC Acrobat i486DX2-66	01.07.1995 linear 05/00	20,00	AHK Absch BW		4.146,09 415,09 4.146,09			4.146,09 415,09 3.731,00
12	Folienschweißgerät	01.07.1995 linear 05/00	20,00	AHK Absch BW	0,00	595,00 60,00 595,00		415,09 60,00	595,00 60,00 535,00
13	Toshiba Fax TF 341	01.07.1995 linear 05/00	20,00	AHK Absch BW	0,00	990,00 99,00 990,00		99,00	990,00 99,00 891,00
4	PC Acrobat Desktop i486DX2-66	01.07.1995 linear 05/00	20,00	AHK Absch BW	0,00	4.347,83 435,83 4.347,83		435,83	4.347,83 435,83 3.912,00
5	PC Acrobat i486DX2-66	01.07.1995 linear 05/00	20,00	AHK Absch BW	0,00	5.215,65 522,65 5.215,65		522,65	5.215,65 522,65 4.693,00
6	PC Acrobat i486DX2-66	01.09.1995 linear 05/00	20,00	AHK Absch BW	0,00	3.801,48 380,48 3.801,48		380,48	3.801,48 380,48 3.421,00
7	PC Acrobat Toptower Pentium P5 -90-PCI	31.12.1995 linear 05/00	20,00	AHK Absch BW	0,00	5.000,00 5.000,00 5.000,00		250,00	5.000,00 250,00 4.750,00
	Geschäftsaus- stattung			AHK Absch BW	0,00	24.096,05 2.163,05 24.096,05		2.163,05	24.096,05 2.163,05 21.933,00



A N H A N G

zum 31. Dezember 1995

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1. Allgemeine Angaben und Erläuterungen

Die Gesellschaft wurde mit notariellem Vertrag vom 13.06.1995 errichtet und am 09.10.1995 unter Nr. HRB 2709 beim Amtsgericht Gießen ins Handelsregister eingetragen.

Sie betreibt ihr Unternehmen in gemieteten Räumen in 35428 Langgöns, Perchstätten 16, wo sich auch der Geschäftssitz befindet.

Die Gesellschaft ist ein reines Dienstleistungsunternehmen.

Gegenstand des Unternehmens ist die Erstellung von Geschäfts-, Planungs- und Marketinginformationen. Daten und Analysen auf dem Gebiet der Computertechnik und die Vermarktung an kommerzielle und staatliche Nutzer im In- und Ausland.

Der Jahresabschluß der Firma INPUT GmbH mit Sitz in Langgöns wurde zum 31. Dezember 1995 nach den handelsrechtlichen Rechnungslegungsvorschriften erstellt.



Die INPUT GmbH ist eine kleine Kapitalgesellschaft im Sinne von § 267 HGB, da sämtliche Größenmerkmale die Grenzen für kleine Kapitalgesellschaften im Gründungs- / Rumpfwirtschaftsjahr nicht überschreiten. Die Bilanzsumme der Unternehmung beträgt weniger als TDM 421. Die erwirtschafteten Umsatzerlöse betragen weniger als TDM 560. Die Unternehmung beschäftigte im Durchschnitt weniger als 10 Arbeitnehmer.

Die Gliederungsbestimmungen der §§ 266 und 275 Abs. 2 HGB haben unter Berücksichtigung der Erleichterung für kleine Kapitalgesellschaften unverändert Anwendung gefunden.

## 2. Angaben und Erläuterungen zu den Posten der Bilanz sowie der Gewinn- und Verlustrechnung

### 2.1 Bilanzierungs- und Bewertungsmethoden

Der Jahresabschluß wurde auf der Grundlage der Bilanzierungs- und Bewertungsvorschriften des Handelsgesetzbuches erstellt.

Die Zugänge zum Anlagevermögen sind zu Anschaffungskosten bilanziert. Die abnutzbaren Vermögensgegenstände des Anlagevermögens werden generell linear im Rahmen der steuerlichen Zulässigkeitsgrenzen abgeschrieben. Von der Bewertungsfreiheit für geringwertige Wirtschaftsgüter nach § 6 Abs. 2 EStG wird Gebrauch gemacht.



## 2.2 Angaben zu den Posten der Bilanz

Die horizontale Entwicklung des Anlagevermögens zeigt der Anlagespiegel, der diesem Anhang als Anlage beigelegt ist.

Die im Umlaufvermögen ausgewiesenen Forderungen haben insgesamt eine erwartete Restlaufzeit von weniger als einem Jahr.

Die aktiven Rechnungsabgrenzungsposten bestehen im wesentlichen aus geleisteten Versicherungsbeiträgen.

Die passivierten Rückstellungen betreffen im wesentlichen mit TDM 15 Rückstellungen für Abschlußkosten und mit TDM 7,5 Rückstellungen für Buchführungskosten.

Der nicht durch Eigenkapital gedeckte Fehlbetrag zeigt gem. § 268 III HGB den Teil des Eigenkapitals, der nicht durch andere positive Eigenkapitalposten gedeckt ist. Es handelt sich hier jedoch um eine bilanzielle Überschuldung, da dieser Fehlbetrag durch stille Reserven im Anlagevermögen gedeckt wird.

Die stillen Reserven übersteigen den nicht durch Eigenkapital gedeckten Fehlbetrag.

Die passivierten Verbindlichkeiten bestehen mit TDM 332 gegenüber verbundenen Unternehmen. Die Restlaufzeit dieser Verbindlichkeiten beträgt weniger als ein Jahr.

## 2.3 Angaben zu den Posten der Gewinn- und Verlustrechnung

Die Gewinn- und Verlustrechnung ist in Staffelform nach dem Gesamtkostenverfahren erstellt.





Für das Berichtsjahr ergibt sich ein Jahresfehlbetrag von TDM 310,9. Der Verlust des Jahres 1995 wird auf das neue Geschäftsjahr vorgetragen.

3. Ergänzende Angaben

Die Geschäftsführung der Gesellschaft wurde im Berichtsjahr von


Herrn Frank Solbach, Hüttenberg  
Herrn Peter Allan Cunningham, Kalifornien  
Frau Patricia Cunningham, Kalifornien  
Herrn Peter Lines, Großbritannien


wahrgenommen.


Sämtliche Geschäftsanteile werden von dem Anteilseigner der Firma INPUT Corp. (USA), Mountain View, Kalifornien gehalten.

Langgöns, den

3rd July 1997

  
.....  
(Peter Allan Cunningham)

  
.....  
(Patricia Cunningham)

  
.....  
(Peter Lines)



# INPUT GmbH, LANGGÖNS

## Notes to the financial statements as at December 31, 1995

- free translation -

### 1. General Notes

The company has been founded with notarized contract dated October 10, 1995 and has been registered at the Trade Register (No. HRB 2709) at the local court in Gießen.

The company has its domicile in rented rooms in Germany, 35428 Langgöns, Perchstätten 16.

The company's purpose is rendering services, especially the collecting and making available of informations regarding marketing, planning and trading to commercial users in Germany and abroad.

The financial statements of the company, INPUT GmbH, Langgöns, as at December 31, 1995 have been prepared according to the regulations of the Commercial Code (Handelsgesetzbuch HGB).

The INPUT GmbH is a small company according to the limits of § 267 HGB. Total assets are below TDM 421. The turnover does not exceed TDM 560. The annual average of staff is below 10 persons.

The legislation regarding structure of the financial statements according §§ 266 and 267 HGB have been noticed.

### 2. Notes to the Balance Sheet and the Profit and Loss Statement

#### 2.1 Accounting and Valuation principles

The additions to the assets are valued at purchase prices. The depreciation on assets is generally at a linear basis according to the German income tax law. Low priced assets (below DM 800,-) are depreciated immediately according to § 6 (2) of the German income tax law (EStG).

#### 2.2 Notes to the balance sheet

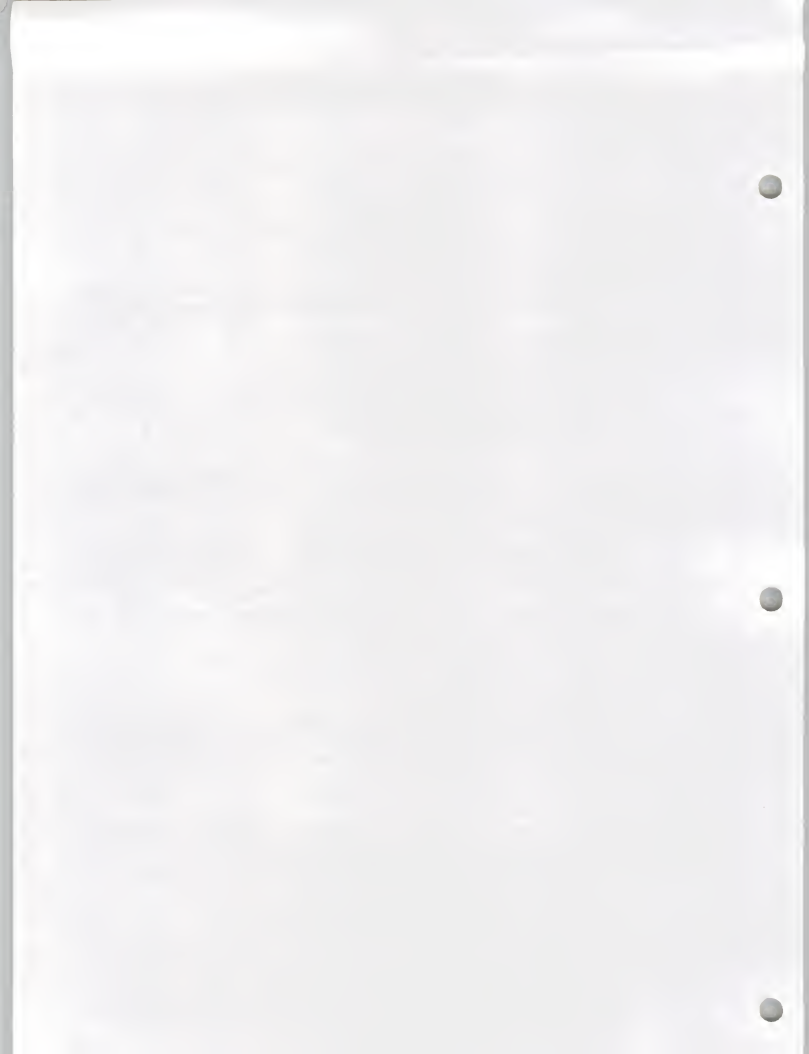
Details of the assets are shown in the schedule „development of assets“ (Anlagenspiegel) which is attached as an appendix to this notes.

The terms of the accounts receivables are due within one year.

The position „prepaid expenses“ contains unexpired insurance.

Accrued liabilities have been balanced to an amount of TDM 15 for preparing the financial statements and of TDM 7,5 for bookkeeping costs.

The accumulated deficit shows according to § 268 (3) HGB the part of owners capital which exceeds the capital stock. The accumulated deficit can however be used



page 2

compensated with hidden reserves within the assets, because the market value of the assets exceeds the book value.

The liabilities to affiliated companies amounts at TDM 332. They are due within one year.

*2.3 Notes to the profit and loss statement*

The fiscal year 1995 ended with a loss of TDM 311 which is carried forward to the following year's account.

*2.4 Additional notes*

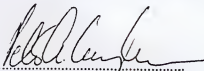
The following „registered managers“ (Geschäftsführer) have been responsible for the company in 1995:

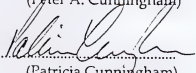
Frank Solbach, Hüttenberg, Germany  
Peter A. Cunningham, California, USA  
Patricia Cunningham, California, USA  
Peter Lines, Great Britain

The only shareholder (parent) of the GmbH is the company INPUT Corp., Mountain View, California, USA.

Langgöns  
(location)

(date)

  
.....  
(Peter A. Cunningham)

  
.....  
(Patricia Cunningham)

  
.....  
(Peter Lines)



**Balance Sheet**

12/31/95

<i>Title of Accounts</i>	<i>Balance in Current Term</i>
Cash	45,323
Current Account	455,631
Ordinary Account	1,214,702
<b>Total of Cash and Account</b>	<b>1,715,656</b>
Accounts Receivable	14,082,160
Prepaid Expenses	185,017
<b>Floating Assets</b>	<b>15,982,833</b>
Equipment	75,598
<b>Tangible Assets</b>	<b>75,598</b>
<b>Fixed Assets</b>	<b>75,598</b>
<b>Total Assets</b>	<b>16,058,431</b>
Accounts Payable #1	(A) 51,943,768
Accounts Payable #2	(B) 9,498,782
Unpaid Expenses	685,761
<del>Taxes Due</del> <b>Deposit Received</b>	<b>642,271</b>
<b>Floating Liabilities</b>	<b>62,770,582</b>
<b>Total Liabilities</b>	<b>62,770,582</b>
Capital	3,000,000
Undisposed Loss	35,137,129
Profit/Loss	-14,575,022
<b>Total Capital</b>	<b>-46,712,151</b>
<b>Total of Liabilities and Capital</b>	<b>16,058,431</b>

→ See Note #1.

→ See Note #2.





**Profit/Loss** 1/1/95 - 12/31/95

<i>Title of Accounts</i>	<i>Total Sum in Current Term</i>
Sales	(C) 50,924,886
<b>Sales Total</b>	50,924,886
Sales Cost	27,190,989
<b>Sales Cost Total</b>	27,190,989
<b>[Gross Profit]</b>	(E) 23,733,897
Salaries	12,645,858
Payroll Tax	1,532,879
Commission	3,829,784
Postage	1,056,517
Travel	1,988,251
Telephone	873,659
Tax	66,395
Supplies	149,023
Building Maintenance	21,012
Other Services	387,963
Building Rent	3,257,995
Equipment Lease	447,638
Accounting Service	740,000
Dues/Subscriptions	12,400
Legal Service	1,020,640
Printing	310,648
Expenses to be paid to CA	9,498,782
Miscellaneous	577,063
<b>Selling &amp; Admi. Expenses</b>	38,416,507
<b>[Operating Profit/Loss]</b>	-14,682,610
Interest Received	27,588
Miscellaneous Income	80,000
<b>Profit out of Operation</b>	107,588
<b>[Profit/Loss]</b>	-14,575,022
<b>[Profit/Loss before Tax]</b>	-14,575,022
<b>[Profit/Loss]</b>	-14,575,022
Profit/Loss brought forward from the Previous Term	-35,137,129
<b>[Undisposed Profit/Loss]</b>	-49,712,151

→ See Note #3.

→ See Note #4.



## INPUT STOCKHOLDERS

MARCH 1996

Sylvie Benech  
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75007 Paris, France

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Sheila Collins  
1158 Fordham Way  
Mountain View, CA 94040

Peter & Patricia Cunningham  
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George Town, Grand Cayman  
Cayman Islands, BWI

Renee Fenstermaker  
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Cupertino, CA 95014

Sterling Williams  
Sterling Software  
8080 N. Central Expressway, Suite 1100  
Dallas, TX 75206



## INPUT BOARD OF DIRECTORS

MARCH 1996

**Peter A. Cunningham**

Address:

Telephone

Birth Date:

Occupation:

Chairman of the Board, Director  
P.O. Box 1698, Villa 631  
George Town, Grand Cayman  
Cayman Islands, BWI  
(345) 945-5725  
July 13, 1941  
President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(415) 961-3300

**Patricia Cunningham**

Address:

Telephone

Birth Date:

Occupation:

Secretary, Treasurer, Director  
P.O. Box 1698, Villa 631  
George Town, Grand Cayman  
Cayman Islands, BWI  
(345) 945-5725  
February 15, 1945  
Vice President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(415) 961-3300

**William H. Bryant**

Occupation:

Telephone

Director  
Attorney  
Bryant, Clohan, Ott, Maines & Baruh, LLP  
550 Hamilton Avenue, Suite 220  
Palo Alto, Ca. 94301  
(415)-961-3300

**Sterling Williams**

Occupation:

Telephone

Director  
President & CEO  
Sterling Software  
8080 N. Central Expressway  
Suite 110, LB53  
Dallas, TX. 75206  
(214) 981-1000



**INPUT Consolidated**

**FINANCIAL STATEMENTS**

Years Ended

December 31, 1996 and 1995





INPUT  
CONSOLIDATED BALANCE SHEET  
As of December 31, 1996 and 1995  
(Preliminary)

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 462,836	\$ 314,899
Short-term investments(includes collateral of \$300,000 for bank line of credit)	300,000	300,000
Accounts receivable, net of allowance for doubtful accounts of \$ 1125 (\$1125 in 1995)	1,417,498	1,770,132
Prepaid expenses	<u>342,064</u>	<u>117,505</u>
TOTAL CURRENT ASSETS	2,522,398	2,502,536
PROPERTY & EQUIPMENT:		
Furniture and fixtures	288,740	260,360
Office equipment	1,145,525	1,017,379
Leasehold improvements	<u>117,365</u>	<u>104,553</u>
	1,551,630	1,382,292
Accumulated depreciation	<u>(1,084,923)</u>	<u>(943,771)</u>
TOTAL PROPERTY & EQUIPMENT	466,707	438,521
DEPOSITS	<u>118,603</u>	<u>113,867</u>
	\$ <u><u>3,107,708</u></u>	\$ <u><u>3,054,924</u></u>
<u>LIABILITIES AND NET CAPITAL DEFICIENCY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 276,299	\$ 352,327
Borrowings under bank line of credit	120,000	30,000
Accrued liabilities	637,782	717,908
Obligations under capital leases	10,778	30,640
Income taxes payable	32,258	82,436
Deferred revenue	<u>2,569,879</u>	<u>2,229,258</u>
TOTAL CURRENT LIABILITIES	3,646,996	3,442,569
OBLIGATIONS UNDER CAPITAL LEASES DUE AFTER ONE YEAR	4,651	11,135
COMMITMENTS		
NET CAPITAL DEFICIENCY:		
Common stock, no par value: 75,000,000 share authorized, 841,500 shares issued and outstanding in 1996 (841,000 in 1995)	61,375	60,975
Accumulated deficit	(564,781)	(456,565)
Cumulative translation adjustment	<u>(40,533)</u>	<u>(3,190)</u>
TOTAL NET CAPITAL DEFICIENCY	(543,939)	(398,780)
	\$ <u><u>3,107,708</u></u>	\$ <u><u>3,054,924</u></u>



INPUT  
CONSOLIDATED STATEMENT OF OPERATIONS  
Years ended December 31, 1996 and 1995  
(Preliminary)

	<u>1996</u>	<u>1995</u>
REVENUES:	\$ 8,492,856	\$ 7,997,883
EXPENSES:		
Salaries, wages, fringe benefits and consulting fees	5,074,399	4,634,410
Facilities, communications and other costs	<u>3,485,299</u>	<u>3,254,283</u>
	<u>8,559,698</u>	<u>7,888,693</u>
INCOME (LOSS) FROM OPERATIONS	(66,842)	109,190
INTEREST & OTHER INCOME (EXPENSES), NET	<u>29,230</u>	<u>54,048</u>
INCOME (LOSS) BEFORE TAXES	(37,612)	163,238
TAX PROVISION	<u>70,604</u>	<u>69,704</u>
NET INCOME (LOSS)	\$ <u>(108,216)</u>	\$ <u>93,534</u>



**INPUT**  
**Consolidated Statement of Operations**  
**Year Ended December 31,1996**  
(Preliminary)

<b>ALL FIGURES IN US\$</b>	<b>INPUT US/CA</b>	<b>INPUT US/VA</b>	<b>INPUT-LTD Britain</b>	<b>INPUT-GMBH Germany</b>	<b>INPUT-SARL France</b>	<b>INPUT-KK Japan</b>	<b>Total US\$</b>
REVENUES:	2,893,015	1,578,323	1,722,809	1,193,404	787,132	318,173	8,492,856
EXPENSES:							
Salaries, wages, fringe benefits and consulting	1,797,331	915,079	1,152,492	557,751	474,636	177,110	5,074,399
Facilities, communications and other costs	1,067,351	664,007	719,655	478,070	302,669	253,547	3,485,299
INCOME (LOSS) FROM OPERATIONS	28,333	(763)	(149,338)	157,583	9,827	(112,484)	(66,842)
INTEREST & OTHER INCOME (EXPENSES), NET	(8,881)	(5,009)	8,924	0	596	33,600	29,230
INCOME (LOSS) BEFORE TAXES	19,452	(5,772)	(140,414)	157,583	10,423	(78,884)	(37,612)
TAX PROVISION	(13,603)		(38,545) *	(14,941)	(3,515)	0	(70,604)
NET INCOME (LOSS)	5,849	(5,772)	(178,959)	142,642	6,908	(78,884)	(108,216)

Notes:

\* INPUT-LTD: Taxes paid and expensed in 1996 for the 1995 taxes payable  
Currency rate is Annual Weighted Average for 1996



INPUT  
CONSOLIDATED STATEMENT OF NET CAPITAL DEFICIENCY  
Years ended December 31, 1996 and 1995  
(Preliminary)

	<u>Common stock</u>				
	<u>Number of shares issued and outstanding</u>	<u>Amount</u>	<u>Accumulated deficit</u>	<u>Cumulative translation adjustment</u>	<u>Net capital deficiency</u>
Balance at December 31, 1994	841,500	\$ 61,375	\$ (550,098)	\$ (22,843)	\$ (511,566)
Issuance of common stock					
Repurchase of common stock	(500)	(400)			(400)
Accumulated translation adjustment for the year				19,652	19,652
Net Income (Loss)			93,534		93,534
Balance at December 31, 1995	\$ 841,000	\$ 60,975	\$ (456,564)	\$ (3,191)	\$ (398,780)
Issuance of common stock	1,000	800			800
Repurchase of common stock	(500)	(400)			(400)
Accumulated translation adjustment for the year				(37,342)	
Net Income			(108,216)		(108,216)
Balance at December 31, 1996	<u>841,500</u>	<u>\$ 61,375</u>	<u>\$ (564,780)</u>	<u>\$ (40,533)</u>	<u>\$ (506,596)</u>





INPUT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 1996  
(Preliminary)

LEASES

The following is a schedule of future minimum lease and non-cancelable operating leases (with initial or remaining terms in excess of one year) as of December 31, 1998:

	<u>Capitalized leases</u>	<u>Operating leases</u>
Fiscal year:		
1997	10,756	473,796
1998	4,651	473,796
1999		473,796
2000		88,475
	<hr/>	<hr/>
Total minimum lease payments	15,407	\$ 1,509,863
Less : Amount representing interest	<u>(1,394)</u>	
	<hr/>	
Present value of minimum lease payments	14,013	
Less: Current portion	<u>(10,756)</u>	
	<hr/>	
Non current portion	\$ <u>3,257</u>	

INCENTIVE STOCK OPTION PLAN

The Company has an incentive stock option plan which provides for the issuance of up to 160,000 shares on common stock to eligible employees.

Options may be granted at prices to be determined by the Board of Directors (but not less than the fair value of the stock at the date of grant). Options are exercisable immediately upon grant. Stock issued upon exercise is subject to certain repurchase rights by the Company in the event of termination of employment. At December 31, 1996 all shares under this plan are subject to repurchase.



**INPUT**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 1996**  
(Preliminary)

PREPARED: 10/17/97

ALL FIGURES IN US\$	INPUT US/CA	%	INPUT US/VA	%	INPUT-LTD Britain	%	INPUT-GMBH Germany	%	INPUT-SARL France	%	INPUT-KK Japan	%	Total US\$	%
REVENUES:	\$ 2,893,015	100%	1,578,323	100%	1,722,809	100%	1,193,404	100%	787,132	100%	318,173	100%	8,492,856	100%
EXPENSES:														
RESEARCH OPERATIONS														
Research	1,124,700	39%	510,838	32%	708,934	41%	258,733	22%	131,541	17%	0	0%	2,735,746	32%
Production	148,836	5%	93,019	6%	138,505	8%	32,460	3%	19,547	2%	0	0%	432,367	5%
TOTAL RESEARCH OPERATIONS	1,273,536	44%	603,857	38%	848,439	49%	291,192	24%	151,088	19%	0	0%	3,168,112	37%
SALES & MARKETING	624,157	22%	363,197	23%	429,678	25%	148,021	12%	171,568	22%	299,400	94%	2,036,021	24%
ADMIN. & EXECUTIVE ADMIN.														
Unit admin. & exec. admin.	755,947	26%	454,897	29%	506,292	29%	452,308	38%	397,064	50%	105,106	33%	2,671,614	31%
Central charges	69,996	2%	49,980	3%	30,188	2%	18,673	2%	19,663	3%	9,120	3%	197,640	2%
TOTAL ADMIN. & EXEC. ADMIN.	825,943	29%	504,877	32%	536,479	31%	470,981	39%	416,747	53%	114,226	36%	2,869,254	34%
CORP. CHARGES	134,746	5%	96,050	6%	57,551	3%	35,182	3%	37,902	5%	17,032	5%	378,463	4%
PROFIT SHARING	6,300	0%	11,105	1%	0	0%	90,445	8%	0	0%	0	0%	107,850	1%
TOTAL EXPENSES	2,864,682	99%	1,579,086	100%	1,872,148	109%	1,035,821	87%	777,305	99%	430,658	135%	8,559,700	101%
INCOME (LOSS) FROM OPERATION	28,333	1%	(763)	0%	(149,339)	-9%	157,583	13%	9,827	1%	(112,485)	-35%	(66,844)	-1%
INTEREST & OTHER INC. (EXP), NE	(8,881)	0%	(5,009)	0%	8,924	1%	0	0%	596	0%	33,600	11%	29,230	0%
INCOME (LOSS) BEFORE TAXES	19,452	1%	(5,772)	0%	(140,415)	-8%	157,583	13%	10,423	1%	(78,885)	-25%	(37,614)	0%
TAX PROVISION	(13,603)	0%	0	0%	(38,545) *	-2%	(14,941)	-1%	(3,515)	0%	0	0%	(70,604)	-1%
NET INCOME (LOSS)	5,849	0%	(5,772)	0%	(178,960)	-10%	142,642	12%	6,908	1%	(78,885)	-25%	(108,218)	-1%

Notes:

\* INPUT-LTD: Taxes paid and expensed in 1996 for the 1995 taxes payable  
Currency rate is Annual Weighted Average for 1996







P&L Statement

# **INPUT Limited**

## **Report and Accounts**

31 December 1996





## INPUT Limited

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Registered No. 1470416

### **DIRECTORS**

P A Cunningham

(Chairman)

P E Cunningham

P Lines

P Connelly

(Appointed 1 January 1997)

### **SECRETARY**

P E Cunningham

### **AUDITORS**

Ernst & Young

Apex Plaza

Reading

RG1 1YE

### **BANKERS**

Lloyds Bank Plc

Piccadilly London Branch

39 Piccadilly

London

W1A 4YE

### **REGISTERED OFFICE**

Apex Plaza

Reading

RG1 1YE



# INPUT Limited

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1996.

### PRINCIPAL ACTIVITIES

The company's principal activity is to provide market research and consultancy on the information services industry.

### DIRECTORS AND THEIR INTERESTS

The directors of the company are listed on page 1 of the accounts. Their interests in the share capital of the company were as follows:

	<i>At 31 December 1996 Ordinary shares</i>	<i>At 1 January 1996 Ordinary shares</i>
P A Cunningham	1	1
P E Cunningham	-	-
P Lines	-	-

P A Cunningham is interested in the whole of the company's share capital which is owned by INPUT, a US incorporated company over which he has control. P Lines is interested in 15,500 ordinary shares of the parent company (1995: 15,500).

### Interests in options

The parent company, INPUT, operates an incentive stock option plan by which executives are able to subscribe for ordinary shares in the company. The interests of the directors of INPUT Limited were as follows:

	<i>At 1 January 1996</i>	<i>Granted during the year</i>	<i>At 31 December 1996</i>
P Lines	15,500	15,000	30,500

### DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- o select suitable accounting policies and then apply them consistently;
- o make judgements and estimates that are reasonable and prudent;
- o prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



INPUT Limited

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DIRECTORS' REPORT

**AUDITORS**

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

**SMALL COMPANY ACCOUNTS**

The directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

On behalf of the Board

*Peter Lines.*

Peter Lines  
Director

3 FEBRUARY 1998



**REPORT OF THE AUDITORS**  
to the members of INPUT Limited

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

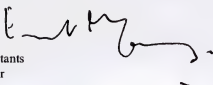
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Fundamental uncertainty**

In forming our opinion, we have considered the ability of the company to continue as a going concern for the foreseeable future. The company is dependent on trading relationships with other group companies and on their continuing ability to settle debts as they fall due. As explained in note 1, the accounts have been prepared on a going concern basis, the validity of which depends upon the financial position of the group to which the company belongs. The accounts do not include any adjustments which would result from the inability of other group companies to settle their debts. Our opinion is not qualified in this respect.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

  
Chartered Accountants  
Registered Auditor  
Reading

10 March 1998





# INPUT Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 1996

	Notes	1996 £	1995 £
TURNOVER	2	1,070,068	1,348,629
Administrative expenses		(1,158,030)	(1,197,192)
OPERATING (LOSS)/PROFIT	3	(87,962)	151,437
Interest receivable		5,926	2,637
Interest payable		(383)	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(82,419)	154,074
Tax on (loss)/profit on ordinary activities		26,622	(49,925)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(55,797)	104,149
RETAINED PROFIT BROUGHT FORWARD	8	151,718	47,569
RETAINED PROFIT CARRIED FORWARD	8	95,921	151,718

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than those shown in the profit and loss account above.



# INPUT Limited

## BALANCE SHEET at 31 December 1996

	Notes	1996 £	1995 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	4	116,307	112,700
<b>CURRENT ASSETS</b>			
Debtors	5	526,141	487,069
Cash at bank and in hand		76,982	67,303
		603,123	554,372
<b>CREDITORS: amounts falling due within one year</b>	6	(613,606)	(506,846)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(10,483)	47,526
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		105,824	160,226
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation		2,823	1,428
		103,001	158,798
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	2	2
Share premium account	8	7,078	7,078
Profit and loss account	8	95,921	151,718
		103,001	158,798

The directors have taken advantage of the exemptions confirmed by Part I of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.

 ) Director

5 February 1998



# INPUT Limited

---

## NOTES TO THE ACCOUNTS

at 31 December 1996

### 1. ACCOUNTING POLICIES

#### *Basis of preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards. The company's financial position depends on trading relationships with other group companies and on their continuing ability to settle debts as they fall due.

#### *Deferred taxation*

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

#### *Foreign currencies*

Receivables and payables denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

#### *Deferred revenue*

The estimated proportion of income invoiced but relating to the following year is carried forward as deferred revenue.

#### *Depreciation*

Depreciation is provided on all the tangible fixed assets using the straight line basis method, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Leasehold improvement	-	Life of the lease
Office equipment	-	5 years
Computer equipment/software	-	3 years

#### *Leasing and hire purchase commitments*

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

### 2. TURNOVER

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax. The turnover and pre-tax profit is attributable to one activity, the provision of market research and consultancy on the information services industry

### 3. OPERATING (LOSS)/PROFIT

This is stated after charging/(crediting):

	1996 £	1995 £
Directors' remuneration	74,053	61,966
Auditors' remuneration	11,650	4,000
Hire of plant and machinery	-	280
Depreciation	26,171	16,081
Foreign exchange loss/(gain)	7,536	(9,550)



# INPUT Limited

## NOTES TO THE ACCOUNTS at 31 December 1996

### 4. FIXED ASSETS

	<i>Leasehold improvements</i> £	<i>Fixtures &amp; Fittings</i> £	<i>Computer Software</i> £	<i>Total</i> £
Cost:				
At 1 January 1996	49,690	97,061	14,872	161,623
Additions	-	19,863	10,183	30,046
Disposals	-	(335)	-	(335)
At 31 December 1996	49,690	116,589	25,055	191,334
Accumulated depreciation:				
At 1 January 1996	2,648	37,197	9,079	48,923
Charge for the year	2,790	18,788	4,593	26,171
Disposals	-	(67)	-	(67)
At 31 December 1996	5,438	55,917	13,672	75,027
Net book value:				
At 31 December 1996	44,252	60,672	11,383	116,307
At 31 December 1995	47,042	59,865	5,793	112,700

### 5. DEBTORS

	<i>1996</i> £	<i>1995</i> £
Trade debtors	61,733	130,749
Amount owed by other group companies	323,870	310,824
Other debtors	140,438	45,396
Deposits	100	100
	526,141	487,069

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>1996</i> £	<i>1995</i> £
Deferred revenue	482,308	326,408
Trade creditors	42,269	71,833
Other taxes and social security costs	36,524	22,312
Other creditors	52,504	86,293
	613,606	506,846





# INPUT Limited

## NOTES TO THE ACCOUNTS at 31 December 1996

### 7. SHARE CAPITAL

	1996 No.	Authorised 1995 No.	1996 £	Allotted, called up and fully paid 1995 £
Ordinary shares of £1 each	100	100	2	2

### 8. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital £	Share Premium £	Profit and loss account £	Total £
At 1 January 1995	2	7,078	47,569	54,649
Profit for the year	-	-	104,149	104,149
At 1 January 1996	2	7,078	151,718	158,798
Loss for the year	-	-	(55,797)	(55,797)
At 31 December 1996	2	7,078	95,921	103,001

### 9. OTHER FINANCIAL COMMITMENTS

At 31 December 1996 the company had annual commitments under non-cancellable operating leases as set out below:

Land and buildings	1996 £	1995 £
Operating leases which expire: within two to five years	54,539	39,892

### 10. RELATED PARTIES

The parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the company is a member is INPUT, incorporated in the United States of America. INPUT is also the ultimate parent company with effective 100% control over the share capital of INPUT Limited. P A Cunningham is the ultimate controlling party.

During the year the following related party transactions took place:

	1996 £
Corporate recharges to other group companies	93,563
Corporate recharges from other group companies	(71,903)
Royalties receivable from other group companies	452,979
Royalties payable to other group companies	(94,426)

The year end amount due from other group companies is shown in note 5.







@ 7/99

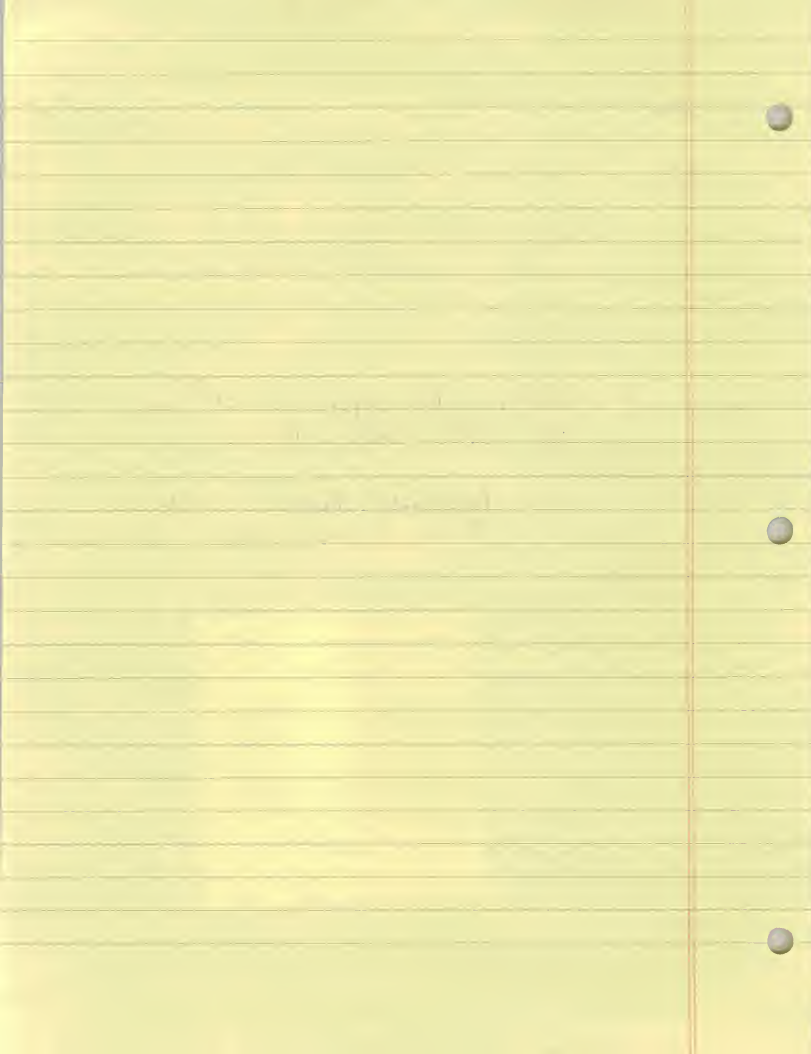
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Copy of 1996 French Annual  
ATCs

@ 11/20/99 No Copies in CA <sup>ADM</sup> File  
of 1996 French ATCs.

See Accounting Files or Refer to  
AES Accountants in France

FR 1996?









JAHRESABSCHLUSS

per 31. Dezember 1996

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Pat-  
This is  
your copy.  
Jü

INPUT GmbH

Perchstätten 16, Langgöns

---

HAAS & HAAS

WIRTSCHAFTSPRÜFER · STEUERBERATER · RECHTSANWÄLTE

GIESSEN



Der Jahresabschluß 1996 der

INPUT GmbH

wurde von uns aufgrund der uns vorgelegten Buchführung und  
Bestandsnachweise sowie der erteilten Auskünfte der Input GmbH  
erstellt.

Gießen, den 07. Mai 1998



  
HAAS & HAAS  
Wirtschaftsprüfer  
Steuerberater  
Rechtsanwälte



# AKTIVA

# PASSIVA

	Buchwert 01011996 DM	DM	DM
<b>A. Anlagevermögen</b>			50.000,00
<b>I. Immaterielle Vermögensgegenstände</b>			309.977,03-
1. Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten		57.856,00 <u>30.200,00</u>	384.916,45
Summe immaterielle Vermögensgegenstände	652,0 652,0		88.056,00
<b>II. Sachanlagen</b>		51.997,09	
1. andere Anlagen, Betriebs- und Geschäftsausstattung	23.021,0	48.986,29 <u>95.458,84</u>	196.442,22
Summe Sachanlagen	23.021,0		223.531,33
Summe Anlagevermögen	23.673,0		
<b>B. Umlaufvermögen</b>			
<b>I. Forderungen und sonstige Vermögensgegenstände</b>			
1. Forderungen aus Lieferungen und Leistungen			
2. Forderungen gegen verbundene Unternehmen			
3. sonstige Vermögensgegenstände			
4. Umsatzsteuerforderung			
<b>II. Flüssige Mittel</b>			
1. Kassenbestand, Bundesbank- und Postgiro Guthaben			
2. Guthaben bei Kreditinstituten			
<b>C. Rechnungsabgrenzungsposten</b>			
			632.968,97



# GEWINN- UND VERLUSTRECHNUNG vom 01011996 bis 31121996

INPUT GmbH, Giessen

	DM	DM	%
1.Umsatzerlöse		2.237.780,85	100,00
2.sonstige betriebliche Erträge		3.300,82	0,14
3.Materialaufwand			
a)Aufwendungen für bezogene Leistungen		504.980,99	22,56
4.Personalaufwand			
a)Löhne und Gehälter	625.270,87		
b)soziale Abgaben und Aufwendungen für Altersversorgung und Unterstützung	<u>94.990,24</u>	720.261,11	32,18
5.Abschreibungen			
a)auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen		14.333,79	0,64
6.sonstige betriebliche Aufwendungen		526.553,15	23,53
7.sonstige Zinsen und ähnliche Erträge		627,02	0,02
8.Zinsen und ähnliche Aufwendungen		<u>477,20</u>	0,02
9.Ergebnis der gewöhnlichen Geschäftstätigkeit		475.102,45	21,23
10.Steuern vom Einkommen, Ertrag und Vermögen		<u>90.186,00</u>	4,03
11.Jahresüberschuß		<u>384.916,45</u>	17,20





# KONTENNACHWEIS zur BILANZ zum 31.12.1996

INPUT GmbH, Giessen

## AKTIVA

Konto	Bezeichnung	DM	DM
	Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten		
0027	EDV-SOFTWARE		507,00
	andere Anlagen, Betriebs- und Geschäftsausstattung		
0410	OFFICE EQUIPMENT	43.769,00	
0420	BÜROEINRICHTUNG	846,00	
0480	LOW VALUE ASSETS UP TO DM 800	<u>0,00</u>	44.615,00
	Forderungen aus Lieferungen und Leistungen		
1400	ACCOUNTS RECEIVABLE - TRADE		404.478,71
	Forderungen gegen verbundene Unternehmen		
1630	INTER CO. PAYABLES US		7.662,46
	sonstige Vermögensgegenstände		
1360	GELDTRANSIT	2.056,78	
1792	ACCOUNTS PAYABLE	<u>669,44</u>	2.726,22
	Umsatzsteuerforderung		
1570	VAT RECEIVABLE	11.250,14	
1571	VAT RECEIVABLE 7 %	85,70	
1576	VAT RECEIVABLE 15 %	52.371,57	
1776	SALES/VALUE ADDED TAX	285.667,02	
1780	UMSATZSTEUERVORAUSZAHLUNGEN	221.539,67	
1791	UMSATZSTEUER FRÜHERE JAHRE	<u>1.559,10</u>	1.139,16
	Kassenbestand, Bundesbank- und Postgiroguthaben		
1000	PETTY CASH		1.316,66
	Guthaben bei Kreditinstituten		
1200	BANK		164.189,48
	Rechnungsabgrenzungsposten		
0980	PREPAID EXPENSES		<u>6.334,28</u>
	Summe Aktiva		<u>632.968,97</u>



## KONTENNACHWEIS zur BILANZ zum 31.12.1996

INPUT GmbH, Giessen

## PASSIVA

Konto	Bezeichnung	DM	DM
0800	Gezeichnetes Kapital CAPITAL STOCK		50.000,00
0868	Verlustvortrag VERLUSTVORTRAG VOR VERWENDUNG		309.977,03-
0000	Jahresüberschuß GEWINN		384.916,45
0957	Steuerrückstellungen GEWERBESTEUERRÜCKSTELLUNG	11.715,00	
0963	KÖRPERSCHAFTSTEUERRÜCKSTELLUNG	<u>46.141,00</u>	57.856,00
0970	sonstige Rückstellungen SONSTIGE RÜCKSTELLUNGEN	7.700,00	
0974	ACCURED MISCELLANEOUS	7.500,00	
0977	RÜCKSTELLUNGEN F. ABSCHLUß U. PRÜFUNG	<u>15.000,00</u>	30.200,00
1600	Verbindlichkeiten aus Lieferungen und Leistungen ACCOUNTS PAYABLE		51.997,09
1631	Verbindlichkeiten gegenüber verbundenen Unternehmen INTER CO. UK	43.152,54	
1632	INTER CO. FRANCE	<u>5.833,75</u>	48.986,29
1400	sonstige Verbindlichkeiten ACCOUNTS RECEIVABLE - TRADE	34.960,00	
1736	VERBINDL. BETRIEBSSTEUERN UND -ABGABEN	6.111,80	
1740	ACCOUNTS PAYABLE SALARIES	32.326,60	
1741	ACCOUNTS PAYABLE WAGE TAX	9.478,28	
1742	ACCOUNTS PAYABLE SOCIAL SECURITY	<u>12.582,16</u>	95.458,84
0990	Rechnungsabgrenzungsposten DEFERRED INCOME 15%		<u>223.531,33</u>
	Summe Passiva		<u>632.968,97</u>



## INPUT GmbH, Giessen

Konto	Bezeichnung	DM	DM
<b>Umsatzerlöse</b>			
8000	PROGRAM REVENUE FREE	302.748,00	
8003	REPORTS/COPIES FREE	42.279,25	
8005	PROGRAM REVENUE 1995	212.268,60	
8400	PROGRAM REVENUE 15%	1.512.490,39	
8403	REPORTS/COPIES 15%	168.083,48	
8720	ERLÖSSCHMÄLERUNGEN 15% UST	88,26-	
8736	GEWÄHRTE SKONTI 15% UST	<u>0,61-</u>	2.237.780,85
<b>sonstige betriebliche Erträge</b>			
2660	ERTRÄGE AUS KURSDIFFERENZEN	2.870,36	
2709	SONSTIGE ERTRÄGE	<u>430,46</u>	3.300,82
<b>Aufwendungen für bezogene Leistungen</b>			
3150	LEISTUNGEN AUSLÄNDISCHER UNTERNEHMEN		504.980,99-
<b>Löhne und Gehälter</b>			
4120	PAYROLL ADMIN.	73.442,57-	
4121	PAYROLL SALE	527.990,63-	
4190	PART-TIME WAGES	<u>23.837,67-</u>	625.270,87-
<b>soziale Abgaben und Aufwendungen für Altersversorgung und Unterstützung</b>			
4130	SOCIAL SECURITY CONTR. ADMIN.	23.943,81-	
4131	SOCIAL SECURITY CONTR. SALE	68.205,07-	
4138	BEITRÄGE ZUR BERUFSGENOSSENSCHAFT	2.479,31-	
4140	FREIWILLIGE SOZIALE AUFWENDUNG. LST-FREI	<u>362,05-</u>	94.990,24-
<b>Abschreibungen</b>			
<b>auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen</b>			
4822	ABSCHREIBUNG IMMATERIELLE VERMG	145,00-	
4830	ABSCHREIBUNGEN AUF SACHANLAGEN	10.819,79-	
4855	IMMEDIATE DEPR. OF LOW VALUE ASSETS	<u>3.369,00-</u>	14.333,79-
<b>sonstige betriebliche Aufwendungen</b>			
2150	EXCHANGE LOSSES	1.414,05-	
2381	BEITR./SPENDEN WISSENSCH./KULT. ZWECKE	1.700,00-	
4210	BUILDING RENT	40.887,32-	
4240	GAS, ELECTRICITY, WATER	1.351,87-	
4250	REINIGUNG	40,88-	
4360	INSURANCE CORPORATE	1.451,02-	
4380	CONTRIBUTIONS	<u>374,00-</u>	
Übertrag auf Blatt 6		47.219,14-	1.001.505,78



## INPUT GmbH, Giessen

Konto	Bezeichnung	DM	DM
Übertrag von Blatt	5	47.219,14-	1.001.505,78
	<b>sonstige betriebliche Aufwendungen</b>		
4396	ABZUGSF. VERSPÄTUNGSZUSCHLAG/ZWANGSGELD	28,00-	
4397	NICHT ABZF. VERSPÄT. ZUSCHLAG/ZWANGSGELD	292,31-	
4530	LAUFENDE KFZ-BETRIEBSKOSTEN	11.608,69-	
4540	KFZ-REPARATUREN	76,80-	
4570	FREMDFAHRZEUGE	12.736,72-	
4580	SONSTIGE KFZ-KOSTEN	156,52-	
4610	WERBEKOSTEN	4.045,47-	
4640	REPRÄSENTATIONSKOSTEN	2.142,43-	
4650	ENTERTAINMENT ADMIN.	904,66-	
4661	TRAVEL/LODGING SALE	52.522,26-	
4662	TRAVEL/LODGING RESEARCH	1.480,82-	
4667	REISEKOSTEN 9,8% AN GESAMTPAUSCHALIERUNG	79.045,66-	
4730	AUSGANGSFRACHTEN	2.664,70-	
4780	FREMDARBEITEN	7.478,64-	
4805	REPARATUR/IN STANDH. BETRIEBS- U. GESCH.	1.906,63-	
4910	POSTAGE	25.265,50-	
4920	TELEPHONE	58.840,54-	
4930	OFFICE SUPPLIES	38.258,65-	
4940	BROCHURES/LITERATURE/ADVERT.	3.895,28-	
4945	SEMINAR	11.761,70-	
4948	VERGÜTG.FREIBERUFL. MITUNTERN. § 15 ESTG	30.522,68-	
4950	LEGAL	99.059,64-	
4955	ACCOUNTING	22.154,57-	
4957	ABSCHLUß- UND PRÜFUNGSKOSTEN	10.000,00-	
4970	BANK CHARGES	2.069,95-	
4980	BETRIEBSBEDARF	<u>415,19-</u>	526.553,15-
	<b>sonstige Zinsen und ähnliche Erträge</b>		
2650	INTEREST INCOME		627,02
	<b>Zinsen und ähnliche Aufwendungen</b>		
2104	NICHT ABZUGSFÄH. AND. NEBENLEIST. Z. STEUERN	477,00-	
2110	ZINSAUFWENDUNGEN F. KFR. VERBINDLICHKEIT.	<u>0,20-</u>	477,20-
	<b>Steuern vom Einkommen, Ertrag und Vermögen</b>		
2200	KÖRPERSCHAFTSTEUER	65.322,00-	
2208	SOLIDARITÄTSZUSCHLAG	4.899,00-	
4320	GEWERBESTEUER	<u>19.965,00-</u>	90.186,00-
0000	<b>Jahresüberschuß</b> GEWINN		<u>384.916,45</u>





# GEWINN- UND VERLUSTRECHNUNG vom 01011996 bis 31121996

INPUT GmbH, Giessen

	DM	DM	%
1. Umsatzerlöse		2.237.780,85	100,00
2. sonstige betriebliche Erträge		3.300,82	0,14
3. Materialaufwand			
a) Aufwendungen für bezogene Leistungen		504.980,99	22,56
4. Personalaufwand			
a) Löhne und Gehälter	625.270,87		
b) soziale Abgaben und Aufwendungen für Altersversorgung und Unterstützung	<u>94.990,24</u>	720.261,11	32,18
5. Abschreibungen			
a) auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen		14.333,79	0,64
6. sonstige betriebliche Aufwendungen		526.553,15	23,53
7. sonstige Zinsen und ähnliche Erträge		627,02	0,02
8. Zinsen und ähnliche Aufwendungen		<u>477,20</u>	0,02
9. Ergebnis der gewöhnlichen Geschäftstätigkeit		475.102,45	21,23
10. Steuern vom Einkommen, Ertrag und Vermögen		<u>90.186,00</u>	4,03
11. Jahresüberschuß		<u>384.916,45</u>	17,20



## KONTENNACHWEIS zur BILANZ zum 31.12.1996

INPUT GmbH, Giessen

## AKTIVA

Konto	Bezeichnung	DM	DM
	Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten		
0027	EDV-SOFTWARE		507,00
	andere Anlagen, Betriebs- und Geschäftsausstattung		
0410	OFFICE EQUIPMENT	43.769,00	
0420	BÜROEINRICHTUNG	846,00	
0480	LOW VALUE ASSETS UP TO DM 800	<u>0,00</u>	44.615,00
	Forderungen aus Lieferungen und Leistungen		
1400	ACCOUNTS RECEIVABLE - TRADE		404.478,71
	Forderungen gegen verbundene Unternehmen		
1630	INTER CO. PAYABLES US		7.662,46
	sonstige Vermögensgegenstände		
1360	GELDTRANSIT	2.056,78	
1792	ACCOUNTS PAYABLE	<u>669,44</u>	2.726,22
	Umsatzsteuerforderung		
1570	VAT RECEIVABLE	11.250,14	
1571	VAT RECEIVABLE 7 %	85,70	
1576	VAT RECEIVABLE 15 %	52.371,57	
1776	SALES/VALUE ADDED TAX	285.667,02-	
1780	UMSATZSTEUERVORAUSZAHLEN	221.539,67	
1791	UMSATZSTEUER FRÜHERE JAHRE	<u>1.559,10</u>	1.139,16
	Kassenbestand, Bundesbank- und Postgiroguthaben		
1000	PETTY CASH		1.316,66
	Guthaben bei Kreditinstituten		
1200	BANK		164.189,48
	Rechnungsabgrenzungsposten		
0980	PREPAID EXPENSES		<u>6.334,28</u>
	Summe Aktiva		<u>632.968,97</u>



## INPUT GmbH, Giessen

## PASSIVA

Konto	Bezeichnung	DM	DM
0800	<b>Gezeichnetes Kapital</b> CAPITAL STOCK		50.000,00
0868	<b>Verlustvortrag</b> VERLUSTVORTRAG VOR VERWENDUNG		309.977,03-
0000	<b>Jahresüberschuß</b> GEWINN		384.916,45
	<b>Steuerrückstellungen</b>		
0957	GEWERBESTEUERRÜCKSTELLUNG	11.715,00	
0963	KÖRPERSCHAFTSTEUERRÜCKSTELLUNG	<u>46.141,00</u>	57.856,00
	<b>sonstige Rückstellungen</b>		
0970	SONSTIGE RÜCKSTELLUNGEN	7.700,00	
0974	ACCRUED MISCELLANEOUS	7.500,00	
0977	RÜCKSTELLUNGEN F. ABSCHLUß U.PROFUNG	<u>15.000,00</u>	30.200,00
	<b>Verbindlichkeiten aus Lieferungen und Leistungen</b>		
1600	ACCOUNTS PAYABLE		51.997,09
	<b>Verbindlichkeiten gegenüber verbundenen Unternehmen</b>		
1631	INTER CO. UK	43.152,54	
1632	INTER CO. FRANCE	<u>5.833,75</u>	48.986,29
	<b>sonstige Verbindlichkeiten</b>		
1400	ACCOUNTS RECEIVABLE - TRADE	34.960,00	
1736	VERBINDL. BETRIEBSSTEUERN UND -ABGABEN	6.111,80	
1740	ACCOUNTS PAYABLE SALARIES	32.326,60	
1741	ACCOUNTS PAYABLE WAGE TAX	9.478,28	
1742	ACCOUNTS PAYABLE SOCIAL SECURITY	<u>12.582,16</u>	95.458,84
	<b>Rechnungsabgrenzungsposten</b>		
0990	DEFERRED INCOME 15%		<u>223.531,33</u>
	<b>Summe Passiva</b>		<u>632.968,97</u>



## INPUT GmbH, Giessen

Konto	Bezeichnung	DM	DM
<b>Umsatzerlöse</b>			
8000	PROGRAM REVENUE FREE	302.748,00	
8003	REPORTS/COPIES FREE	42.279,25	
8005	PROGRAM REVENUE 1995	212.268,60	
8400	PROGRAM REVENUE 15%	1.512.490,39	
8403	REPORTS/COPIES 15%	168.083,48	
8720	ERLÖSSCHMÄLERUNGEN 15% UST	88,26-	
8736	GEWAHRTE SKONTI 15% UST	<u>0,61-</u>	2.237.780,85
<b>sonstige betriebliche Erträge</b>			
2660	ERTRÄGE AUS KURSDIFFERENZEN	2.870,36	
2709	SONSTIGE ERTRÄGE	<u>430,46</u>	3.300,82
<b>Aufwendungen für bezogene Leistungen</b>			
3150	LEISTUNGEN AUSLÄNDISCHER UNTERNEHMEN		504.980,99-
<b>Löhne und Gehälter</b>			
4120	PAYROLL ADMIN.	73.442,57-	
4121	PAYROLL SALE	527.990,63-	
4190	PART-TIME WAGES	<u>23.837,67-</u>	625.270,87-
<b>soziale Abgaben und Aufwendungen für Altersversorgung und Unterstützung</b>			
4130	SOCIAL SECURITY CONTR. ADMIN.	23.943,81-	
4131	SOCIAL SECURITY CONTR. SALE	68.205,07-	
4138	BEITRÄGE ZUR BERUFSGENOSSENSCHAFT	2.479,31-	
4140	FREIWILLIGE SOZIALE AUFWENDUNG. LST-FREI	<u>362,05-</u>	94.990,24-
<b>Abschreibungen</b>			
<b>auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen</b>			
4822	ABSCHREIBUNG IMMATERIELLE VERMG	145,00-	
4830	ABSCHREIBUNGEN AUF SACHANLAGEN	10.819,79-	
4855	IMMEDIATE DEPR. OF LOW VALUE ASSETS	<u>3.369,00-</u>	14.333,79-
<b>sonstige betriebliche Aufwendungen</b>			
2150	EXCHANGE LOSSES	1.414,05-	
2381	BEITR./SPENDEN WISSENSCH./KULT. ZWECKE	1.700,00-	
4210	BUILDING RENT	40.887,32-	
4240	GAS, ELECTRICITY, WATER	1.351,87-	
4250	REINIGUNG	40,88-	
4360	INSURANCE CORPORATE	1.451,02-	
4380	CONTRIBUTIONS	<u>374,00-</u>	
Übertrag auf Blatt 6		47.219,14-	1.001.505,78





INPUT GmbH, Giessen

Konto	Bezeichnung	DM	DM
Übertrag von Blatt	5	47.219,14-	1.001.505,78
	<b>sonstige betriebliche Aufwendungen</b>		
4396	ABZUGSF. VERSPÄTUNGSZUSCHLAG/ZWANGSGELD	28,00-	
4397	NICHT ABZF. VERSPÄT. ZUSCHLAG/ZWANGSGELD	292,31-	
4530	LAUFENDE KFZ-BETRIEBSKOSTEN	11.608,69-	
4540	KFZ-REPARATUREN	76,80-	
4570	FREMDFAHRZEUGE	12.736,72-	
4580	SONSTIGE KFZ-KOSTEN	156,52-	
4610	WERBEKOSTEN	4.045,47-	
4640	REPRÄSENTATIONSKOSTEN	2.142,43-	
4650	ENTERTAINMENT ADMIN.	904,66-	
4661	TRAVEL/LODGING SALE	52.522,26-	
4662	TRAVEL/LODGING RESEARCH	1.480,82-	
4667	REISEKOSTEN 9,8% AN GESAMTPAUSCHALIERUNG	79.045,66-	
4730	AUSGANGSFRACHTEN	2.664,70-	
4780	FREMDARBEITEN	7.478,64-	
4805	REPARATUR/INSTANDH. BETRIEBS- U. GESCH.	1.906,63-	
4910	POSTAGE	25.265,50-	
4920	TELEPHONE	58.840,54-	
4930	OFFICE SUPPLIES	38.258,65-	
4940	BROCHURES/LITERATURE/ADVERT.	3.895,28-	
4945	SEMINAR	11.761,70-	
4948	VERGÜTG.FREIBERUFL. MITUNTERN. § 15 ESTG	30.522,68-	
4950	LEGAL	99.059,64-	
4955	ACCOUNTING	22.154,57-	
4957	ABSCHLUß- UND PRÜFUNGSKOSTEN	10.000,00-	
4970	BANK CHARGES	2.069,95-	
4980	BETRIEBSBEDARF	<u>415,19-</u>	526.553,15-
	<b>sonstige Zinsen und ähnliche Erträge</b>		
2650	INTEREST INCOME		627,02
	<b>Zinsen und ähnliche Aufwendungen</b>		
2104	NICHT ABZUGSFÄH. AND. NEBENLEIST. Z. STEUERN	477,00-	
2110	ZINSAUFWENDUNGEN F. KFR. VERBINDLICHKEIT.	<u>0,20-</u>	477,20-
	<b>Steuern vom Einkommen, Ertrag und Vermögen</b>		
2200	KÖRPERSCHAFTSTEUER	65.322,00-	
2208	SOLIDARITÄTSZUSCHLAG	4.899,00-	
4320	GEWERBESTEUER	<u>19.965,00-</u>	90.186,00-
0000	<b>Jahresüberschuß</b>		
	GEWINN		<u>384.916,45</u>



Konto	Bezeichnung	Entwicklung der	Stand zum 01.01.1996 DM	Zugang Abgang- DM	Umbuchung DM	Abschreibung Zuschreibung- DM	Stand zum 31.12.1996 DM
0027	EDV-Software	Ansch-/Herst-K Abschreibung Buchwerte	725,00 73,00 652,00	145,00		145,00	725,00 218,00 507,00
0410	Geschäftsaus- stattung	Ansch-/Herst-K Abschreibung Buchwerte	24.096,05 2.163,05 21.933,00	32.413,79 10.577,79 32.413,79		10.577,79	56.509,84 12.740,84 43.769,00
0420	Büroeinrichtung	Ansch-/Herst-K Abschreibung Buchwerte	1.209,87 121,87 1.088,00	242,00		242,00	1.209,87 363,87 846,00
Summe		Ansch-/Herst-K Abschreibung Buchwerte	26.030,92 2.357,92 23.673,00	32.413,79 10.964,79 32.413,79		10.964,79	58.444,71 13.322,71 45.122,00



Konto inventar	Bezeichnung Inventarbezeichnung	Datum AfA-Art ND	Entw. der %	Stand zum 01.01.1996 DM	Zugang Abgang- DM	Umbuchung DM	Abschreibung Zuschreibung- DM	Stand zum 31.12.1996 DM
8027	EDV-Software							
27001	Microsoft Office Standard	01.07.1995 linear 05/00	AMK Absch 20,00 BW	725,00 73,00 652,00	145,00		145,00	725,00 218,00 507,00
Summe	EDV-Software		AMK Absch BW	725,00 73,00 652,00	145,00		145,00	725,00 218,00 507,00



konto inventar	Bezeichnung Inventarbezeichnung	Datum Afa-Art ND	Entw. der t +	Stand zum 01.01.1996 DM	Zugang Abgang- DM	Umbuchung DM	Abschreibung Zuschreibung- DM	Stand zum 31.12.1996 DM
410	Geschäftsaus- stattung							
410001	PC Acrobat 1486DX2-66	01.07.1995 linear 05/00 20,00 BW	AHK Absch BW	4.146,09 415,09 3.731,00	829,00		829,00	4.146,09 1.244,09 2.902,00
410002	Folienschweißgerät	01.07.1995 linear 05/00 20,00 BW	AHK Absch BW	595,00 60,00 535,00	119,00		119,00	595,00 179,00 416,00
410003	Toshiba Fax TF 341	01.07.1995 linear 05/00 20,00 BW	AHK Absch BW	990,00 99,00 891,00	198,00		198,00	990,00 297,00 693,00
410004	PC Acrobat Desktop 1486DX2-66	01.07.1995 linear 05/00 20,00 BW	AHK Absch BW	4.347,83 435,83 3.912,00	870,00		870,00	4.347,83 1.305,83 3.042,00
410005	PC Acrobat 1486DX2-66	01.07.1995 linear 05/00 20,00 BW	AHK Absch BW	5.215,65 522,65 4.693,00	1.043,00		1.043,00	5.215,65 1.565,65 3.650,00
410006	PC Acrobat 1486DX2-66	01.09.1995 linear 05/00 20,00 BW	AHK Absch BW	3.801,48 380,48 3.421,00	760,00		760,00	3.801,48 1.140,48 2.661,00
410007	PC Acrobat Toptower Pentium P5 -90-PCI	31.12.1995 linear 05/00 20,00 BW	AHK Absch BW	5.000,00 250,00 4.750,00	1.000,00		1.000,00	5.000,00 1.250,00 3.750,00
410008	Acrobat Toptower Pentium P5-90 PCI	05.01.1996 linear 05/00 20,00 BW	AHK Absch BW	5.000,00 1.000,00 5.000,00	0,00		1.000,00	5.000,00 1.000,00 4.000,00
410009	Gebr. Notebook AST Explorer DX 4/1	01.02.1996 linear 05/00 20,00 BW	AHK Absch BW	3.667,00 733,00 0,00	3.667,00		733,00	3.667,00 733,00 2.934,00
410010	Notebook AcerNote 760 1c/80486 DX4-75MHz	20.03.1996 linear 05/00 20,00 BW	AHK Absch BW	3.853,60 771,60 0,00	3.853,60		771,60	3.853,60 771,60 3.082,00
410011	Notebook 8600 DSTN P100	15.05.1996 linear 05/00 20,00 BW	AHK Absch BW	4.553,04 911,04 0,00	4.553,04		911,04	4.553,04 911,04 3.642,00
410012	Tintenstrahldrucker Canon BJC- 610	15.05.1996 linear 05/00 20,00 BW	AHK Absch BW	881,00 176,00 0,00	176,00		176,00	881,00 176,00 705,00
410013	Schreibtisch Esche Schwarz-Buc he	23.05.1996 linear 10/00 10,00 BW	AHK Absch BW	1.168,70 117,70 0,00	1.168,70		117,70	1.168,70 117,70 1.051,00
410014	Fotokopierer X5047I Rank Xerox	14.05.1996 linear 05/00 20,00 BW	AHK Absch BW	8.200,00 1.640,00 0,00	8.200,00		1.640,00	8.200,00 1.640,00 6.560,00
410015	Laserdrucker HP LaserJet 5 P	20.07.1996 linear 05/00 20,00 BW	AHK Absch BW	1.927,00 193,00 0,00	1.927,00		193,00	1.927,00 193,00 1.734,00
410016	Konferenzstisch u. 6 Stühle	02.09.1996 linear 10/00 10,00 BW	AHK Absch BW	2.000,00 100,00 0,00	2.000,00		100,00	2.000,00 100,00 1.900,00
410017	Toshiba Fax TF-461	04.11.1996 linear 05/00 20,00 BW	AHK Absch BW	1.163,45 116,45 0,00	1.163,45		116,45	1.163,45 116,45 1.047,00





Entwicklung des Anlagevermögens vom 01.01.1996 bis 31.12.1996

konto inventar	Bezeichnung Inventarbezeichnung	Datum AfA-Art ND	Entw. der t	Stand zum 01.01.1996 DM	Zugang Abgang- DM	Umbuchung DM	Abschreibung Zuschreibung- DM	Stand zum 31.12.1996 DM
x10	Geschäftsaus- stattung							
Summe	Geschäftsaus- stattung							
			AMK	24.096,05	32.413,79			56.509,84
			Absch	2.163,05	10.577,79			12.740,84
			BW	21.933,00	32.413,79		10.577,79	43.769,00



nto inventar	Bezeichnung Inventarbezeichnung	Datum AFA-Art ND	Entw. der %	Stand zum 01.01.1996 DM	Zugang Abgang- DM	Umbuchung DM	Abschreibung Zuschreibung- DM	Stand zum 31.12.1996 DM
00	Büroeinrichtung							
0001	Bürodrehstuhl Cirsberger	01.07.1995 linear 05/00	AHK Absch 20,00 BW	520,87 52,87 468,00	104,00		104,00	520,87 156,87 364,00
0002	Bisley KR-Schrank	01.07.1995 linear 05/00	AHK Absch 20,00 BW	400,00 40,00 360,00	80,00		80,00	400,00 120,00 280,00
0003	Ratiodata Besprechungstisch	01.07.1995 linear 05/00	AHK Absch 20,00 BW	289,00 29,00 260,00	58,00		58,00	289,00 87,00 202,00
0000	Büroeinrichtung		AHK Absch BW	1.209,87 121,87 1.088,00	242,00		242,00	1.209,87 363,87 846,00



ANHANG

zum 31. Dezember 1996

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1. Allgemeine Angaben und Erläuterungen

Die Gesellschaft wurde mit notariellem Vertrag vom 13.06.1995 errichtet und am 09.10.1995 unter Nr. HRB 2709 beim Amtsgericht Gießen ins Handelsregister eingetragen.

Sie betreibt ihr Unternehmen in gemieteten Räumen in 35428 Langgöns, Perchstätten 16, wo sich auch der Geschäftssitz befindet.

Die Gesellschaft ist ein reines Dienstleistungsunternehmen.

Gegenstand des Unternehmens ist die Erstellung von Geschäfts-, Planungs- und Marketinginformationen. Daten und Analysen auf dem Gebiet der Computertechnik und die Vermarktung an kommerzielle und staatliche Nutzer im In- und Ausland.

Der Jahresabschluß der Firma INPUT GmbH mit Sitz in Langgöns wurde zum 31. Dezember 1996 nach den handelsrechtlichen Rechnungslegungsvorschriften erstellt.



Die INPUT GmbH ist eine kleine Kapitalgesellschaft im Sinne von § 267 HGB, da sämtliche Größenmerkmale die Grenzen für kleine Kapitalgesellschaften nicht überschreiten. Die Bilanzsumme der Unternehmung beträgt weniger als TDM 633. Die erwirtschafteten Umsatzerlöse betragen weniger als TDM 2.238. Die Unternehmung beschäftigte im Durchschnitt weniger als 10 Arbeitnehmer.

Die Gliederungsbestimmungen der §§ 266 und 275 Abs. 2 HGB haben unter Berücksichtigung der Erleichterung für kleine Kapitalgesellschaften unverändert Anwendung gefunden.

2. Angaben und Erläuterungen zu den Posten der Bilanz sowie der Gewinn- und Verlustrechnung

2.1 Bilanzierungs- und Bewertungsmethoden

Der Jahresabschluß wurde auf der Grundlage der Bilanzierungs- und Bewertungsvorschriften des Handelsgesetzbuches erstellt.

Die Zugänge zum Anlagevermögen sind zu Anschaffungskosten bilanziert. Die abnutzbaren Vermögensgegenstände des Anlagevermögens werden generell linear im Rahmen der steuerlichen Zulässigkeitsgrenzen abgeschrieben. Von der Bewertungsfreiheit für geringwertige Wirtschaftsgüter nach § 6 Abs. 2 EStG wird Gebrauch gemacht.





## 2.2 Angaben zu den Posten der Bilanz

Die horizontale Entwicklung des Anlagevermögens zeigt der Anlagespiegel, der diesem Anhang als Anlage beigegefügt ist.

Die im Umlaufvermögen ausgewiesenen Forderungen haben insgesamt eine erwartete Restlaufzeit von weniger als einem Jahr.

Die aktiven Rechnungsabgrenzungsposten bestehen im wesentlichen aus geleisteten Versicherungsbeiträgen.

Die passivierten Rückstellungen betreffen im wesentlichen mit TDM 15 Rückstellungen für Abschlußkosten, mit TDM 7,5 Rückstellungen für Gewährleistungsansprüche und mit TDM 7,7 Urlaubsrückstellungen.

Die passivierten Verbindlichkeiten bestehen mit TDM 49 gegenüber verbundenen Unternehmen. Die Restlaufzeit dieser Verbindlichkeiten beträgt weniger als ein Jahr.

## 2.3 Angaben zu den Posten der Gewinn- und Verlustrechnung

Die Gewinn- und Verlustrechnung ist in Staffelform nach dem Gesamtkostenverfahren erstellt.

Für das Berichtsjahr ergibt sich ein Jahresüberschuß von TDM 385.



3. Ergänzende Angaben

Die Geschäftsführung der Gesellschaft wurde im Berichtsjahr von

Herrn Peter Allan Cunningham, Kalifornien


Frau Patricia Cunningham, Kalifornien

Herrn Peter Lines, Großbritannien

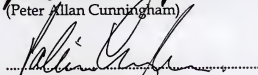
wahrgenommen.

Sämtliche Geschäftsanteile werden von dem Anteilseigner der Firma INPUT Corp.  
(USA), Mountain View, Kalifornien gehalten.

Langgöns, den



.....  
(Peter Allan Cunningham)



.....  
(Patricia Cunningham)



.....  
(Peter Lines)







## INPUT K.K. Balance Sheet

12/31/96

<i>Title of Accounts</i>	<i>Balance in Current Term</i>
Cash	111,641
Current Account	1,248,958
Ordinary Account	2,902,958
<b>Total of Cash and Account</b>	<b>4,263,557</b>
Accounts Receivable	9,748,435
Prepaid Expenses	199,353
<b>Floating Assets</b>	<b>14,211,345</b>
Equipment	75,598
<b>Tangible Assets</b>	<b>75,598</b>
Fixed Assets	75,598
<b>Total Assets</b>	<b>14,286,943</b>
Accounts Payable	62,088,557
Unpaid Consumption Tax	919,800
Taxes Due	1,075,134
Unpaid Expenses	482,329
<b>Floating Liabilities</b>	<b>64,565,820</b>
<b>Total Liabilities</b>	<b>64,565,820</b>
Capital	10,000,000
Undisposed Loss	49,712,151
<b>Profit/Loss</b>	<b>(10,566,726)</b>
<b>Total Capital</b>	<b>(50,278,877)</b>
<b>Total of Liabilities and Capital</b>	<b>14,286,943</b>





**INPUT K.K. Profit/Loss** 1/1/96 - 12/31/96

<i>Title of Accounts</i>	<i>Total Sum in Current Term</i>
Sales #1	76,658,100
Sales #2	550,000
<b>Sales Total</b>	<b>77,208,100</b>
Sales Cost	40,513,001
<b>Sales Cost Total</b>	<b>40,513,001</b>
<b>[Gross Profit]</b>	<b>36,695,099</b>
Salaries	13,322,730
Payroll Tax	1,946,346
Commission	4,150,860
Postage	891,083
Travel	3,698,527
Telephone	943,223
Taxes	1,529,700
Supplies	825,948
Recruiting	932,871
Building Maintenance	21,012
Other Services	766,606
Building Rent	2,381,034
Equipment Lease	602,756
Accounting Service	560,000
Dues/Subscriptions	177,780
Legal Service	761,674
Printing	257,500
Education/Training	486,300
Seminars	2,849,572
Outside Consultant	213,150
Expenses to be paid to CA	11,633,006
Miscellaneous	643,606
<b>Selling &amp; Admi. Expenses</b>	<b>49,595,284</b>
<b>[Operating Profit/Loss]</b>	<b>(12,900,185)</b>
Interest Received	2,218
Miscellaneous Income	2,331,241
<b>Profit out of Operation</b>	<b>2,333,459</b>
<b>[Ordinary Profit]</b>	<b>(10,566,726)</b>
<b>[Profit/Loss before Tax]</b>	<b>(10,566,726)</b>
<b>[Profit/Loss]</b>	<b>(10,566,726)</b>
<b>Profit/Loss brought forward from the Previous Term</b>	<b>(49,712,151)</b>
<b>[Undisposed Profit/Loss]</b>	<b>(60,278,877)</b>



**Profit/Loss** 1/1/96 - 12/31/96

<b>Title of Accounts</b>	<b>Total Sum in Current Term</b>	
Sales #1	76,658,100	Note #3
Sales #2	550,000	
<b>Sales Total</b>	<b>77,208,100</b>	
Sales Cost	40,513,001	
<b>Sales Cost Total</b>	<b>40,513,001</b>	
<b>[Gross Profit]</b>	<b>36,695,099</b>	
Salaries	13,322,730	
Payroll Tax	1,946,346	
Commission	4,150,860	
Postage	891,083	
Travel	3,698,527	
Telephone	943,223	Note #4
Taxes	1,529,700	
Supplies	825,948	
Recruiting	932,871	
Building Maintenance	21,012	
Other Services	766,606	
Building Rent	2,381,034	
Equipment Lease	602,756	
Accounting Service	560,000	
Dues/Subscriptions	177,780	
Legal Service	761,674	
Printing	257,500	
Education/Training	486,300	
Seminars	2,849,572	
Outside Consultant	213,150	
Expenses to be paid to CA	3,499,992	
Miscellaneous	643,606	
<b>Selling &amp; Admi. Expenses</b>	<b>41,462,270</b>	
<b>[Operating Profit/Loss]</b>	<b>(4,767,171)</b>	
Interest Received	2,218	Note #5
Miscellaneous Income	2,331,241	
<b>Profit out of Operation</b>	<b>2,333,459</b>	
<b>[Ordinary Profit]</b>	<b>(2,433,712)</b>	
<b>[Profit/Loss before Tax]</b>	<b>(2,433,712)</b>	
<b>[Profit/Loss]</b>	<b>(2,433,712)</b>	
<b>Profit/Loss brought forward from the Previous Term</b>	<b>(49,712,151)</b>	
<b>[Undisposed Profit/Loss]</b>	<b>(52,145,863)</b>	

Note #3: Translation expense KK received from NTT

Note #4: Consumption Tax and other tax

Note #5: Consumption Tax



**Balance Sheet**

12/31/96

<i>Title of Accounts</i>	<i>Balance in Current Term</i>
Cash	111,641
Current Account	1,248,958
Ordinary Account	2,902,958
<b>Total of Cash and Account</b>	<b>4,263,557</b>
Accounts Receivable	9,748,435
Prepaid Expenses	199,353
<b>Floating Assets</b>	<b>14,211,345</b>
Equipment	75,598
<b>Tangible Assets</b>	<b>75,598</b>
<b>Fixed Assets</b>	<b>75,598</b>
<b>Total Assets</b>	<b>14,286,943</b>
Accounts Payable #1	40,956,769
Accounts Payable #2	12,998,774
Unpaid Consumption Tax	919,800
Taxes Due	1,075,134
Unpaid Expenses	482,329
<b>Floating Liabilities</b>	<b>56,432,806</b>
<b>Total Liabilities</b>	<b>56,432,806</b>
Capital	10,000,000
Undisposed Loss	49,712,151
<b>Profit/Loss</b>	<b>(2,433,712)</b>
<b>Total Capital</b>	<b>(42,145,863)</b>
<b>otal of Liabilities and Capital</b>	<b>14,286,943</b>

Note #1

Note #2

**Note #1**

Initial Balance	55,003,269
Cost of Products Sol	5,453,500
Cash Transferred to CA Un	-19,500,000
<b>TOTAL :</b>	<b>40,956,769</b>

**Note #2**

Initial Balance	12,123,776
Corporate Charge	624,999
Central Finance	249,999
<b>TOTAL :</b>	<b>12,998,774</b>



INPUT - JAPAN  
TRIAL BALANCE  
12-31-96

=====	=====	=====	=====
	DESCRIPTION	BOOK BAL	BOOK BAL
		12-31-95	12-31-96
YEN		YEN	YEN
=====	=====	=====	=====
ASSETS			
	CASH	1,715,656.00	4,263,557.00
	ACCTS. RECEIVABLE	14,082,160.00	9,748,435.00
	PREPAID EXPENSES	185,017.00	199,353.00
	FIXED ASSETS	75,598.00	75,598.00
	TOTAL ASSETS	16,058,431.00	14,286,943.00
		=====	=====
LIABILITIES			
	ACCOUNTS PAYABLE	685761.00	482329.00
	INTERCOMPANY PAYABLES	63359704.00	62088557.21
	TAXES PAYABLE	642271.00	1994936.00
	TOTAL CURRENT LIABILITIES	64687736.00	64565822.21
		=====	=====
EQUITY			
	EQUITY INVESTMENT	3000000.00	10000000.00
	ACCUMULATED DEFICIT	-51629305.00	-60278879.21
	TOTAL LIABILITIES & EQUITY	16058431.00	14286943.00
		=====	=====





INPUT - JAPAN  
 PROFIT & LOSS STATEMENT - 1996

=====		=====
DESCRIPTION		BOOK BAL
		12-31-96
=====		=====
REVENUE		
508	SEMINARS	3067312.00
520	ROYALTY REVENUE	72333100.00
530	ROYALTY EXP	-40512991.00
570	OTHER INCOME	3684221.00
TOTAL REVENUE		38571642.00
		=====
EXPENSES		
904	SALES	7,339,395
906	GENERAL ADMINISTRATION	5,983,335
910	SALES COMMISSION	4,150,860
923	PAYROLL TAXES	1,946,346
945	SUPPLIES	825,948
946	POSTAGE	1,340,505
947	PRINTING	323,930
949	DUES/SUBSCRIPTIONS	177,780
954	EQUIPMENT LEASE	602,756
957	BUILDING RENT	2,381,034
958	BUILDING MAINTENANCE	21,012
962	TELEPHONE	943,223
965	CONFERENCE/TRADE SHOWS	2,849,572
970	LEGAL	761,674
971	ACCOUNTING	560,000
978	TRAVEL/LODGING/ENTERTAINMENT	4,239,809
'982	RECRUITING	932,871
984	TRAINING	486,300
987	CURRENCY GAIN OR LOSS	5,547,463
993	MISCELLANEOUS	1,410,212
995	CENTRAL FINANCE	999,996
997	CORPORATE	1,867,496
998	PROVISION FOR INCOME TAX	1,529,700
TOTAL EXPENSES		47,221,216
PROFIT(LOSS) BEFORE TAXES		(8,649,574)
		=====



## INPUT STOCKHOLDERS

MARCH 1997

Sylvie Benech  
195 rue de l'Universite  
75007 Paris, France

Peter Lines  
32 Lawn Crescent  
Key Gardens,  
Richmond TW9 3NS

William H. Bryant, Esq.  
Bryant, Clohan, Ott, Maines & Baruh, LLP  
550 Hamilton Avenue, Suite 220  
Palo Alto, CA 94301

Edward I. Metz  
13 Lenape Drive  
Montville, NJ 07045

Sheila Collins  
1158 Fordham Way  
Mountain View, CA 94040

Victor Millar  
4123 North Ridgeview Road  
McLean, VA 22102

Peter & Patricia Cunningham  
P.O. Box 1698, Villa 725  
George Town, Grand Cayman  
Cayman Islands, BWI

Sterling Williams  
Sterling Software  
8080 N. Central Expressway, Suite 1100  
Dallas, TX 75206

Renee Fenstermaker  
112 W. O'Connor Street  
Menlo Park, CA 94025

Yoshiko Wakaki  
Sun-corp.#102,  
15-1 Tokiwadaira-yanagicho  
Matsudo-shi, Chiba, 270  
Japan

Bernard Goldstein  
2 Manursing Way  
Rye, NY 10580





**INPUT Consolidated**  
FINANCIAL STATEMENTS

Year Ended

December 31, 1997

FINAL At April 1999

CONFIDENTIAL



**INPUT**  
**Consolidated Statement of Operations**  
**For the Year Ended December 31,1997**

PREPARED: 04/23/99

<b>ALL FIGURES IN US\$</b>	<b>INPUT Corp</b>	<b>INPUT US/VA</b>	<b>INPUT-LTD Britain</b>	<b>INPUT-GMBH Germany</b>	<b>INPUT-SARL France</b>	<b>INPUT-KK Japan</b>	<b>Total in US\$</b>
Revenues	0	3,011,545	2,006,748	673,355	728,510	193,203	6,613,361
Expenses:							
Salaries, wages, fringe benefits and consulting	315,822	2,152,257	1,260,680	401,341	417,696	182,295	4,730,092
Facilities, communications and other costs	(315,822)	1,281,664	743,815	287,723	249,638	157,394	2,404,412
Income (Loss) from operations	0	(422,376)	2,253	(15,709)	61,176	(146,487)	(521,143)
Interest & other income (expenses)	0	4,021	5,347	176	0	13,193	22,737
Income (loss) before taxes	0	(418,355)	7,600	(15,533)	61,176	(133,294)	(498,406)
Tax provision	0	0	45,466	(12,960)	(23,512)	(632)	8,362
Net income (loss)	0	(418,355)	53,066	(28,493)	37,663	(133,926)	(490,044)





## INPUT BOARD OF DIRECTORS

MARCH 1997

**Peter A. Cunningham**

Address:

Telephone

Birth Date:

Occupation:

Chairman of the Board, Director  
P.O. Box 1698, Villa 631  
George Town, Grand Cayman  
Cayman Islands, BWI  
(345) 945-5725  
July 13, 1941  
President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(415) 961-3300

**Peter Lines**

Address:

Telephone

Birth Date:

Occupation:

Vice Chairman of the Board, Director  
32 Lawn Crescent  
Key Gardens, Richmond TW9 3NS  
UK  
(0181) 940-3227  
Vice President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(415) 961-3300

**Patricia Cunningham**

Address:

Telephone

Birth Date:

Occupation:

Secretary, Treasurer, Director  
P.O. Box 1698, Villa 631  
George Town, Grand Cayman  
Cayman Islands, BWI  
(345) 945-5725  
February 15, 1945  
Vice President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(415) 961-3300



**William H. Bryant**

Occupation:

Director

Attorney

Bryant, Clohan, Ott, Maines & Baruh, LLP

550 Hamilton Avenue, Suite 220

Palo Alto, Ca. 94301

(415)-961-3300

Telephone

**Sterling Williams**

Occupation:

Director

President & CEO

Sterling Software

8080 N. Central Expressway

Suite 110, LB53

Dallas, TX. 75206

(214) 981-1000

Telephone



Prepared 8/19/98

INPUT  
 CONSOLIDATED BALANCE SHEET  
 As of December 31st, 1997  
 (Unaudited)

	<u>12/31/97</u>	<u>12/31/96</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 357,525	713,771
Accounts receivable, net of allowance for doubtful accounts of \$ 1125 (\$1125 in 1997)	1,208,525	1,493,036
InterCompany A/R	0	
InterCompany Investments	0	
Prepaid expenses	10,972	280,914
TOTAL CURRENT ASSETS	<u>1,577,022</u>	<u>2,487,721</u>
PROPERTY & EQUIPMENT:		
Furniture and fixtures	283,278	288,740
Office equipment	1,200,704	1,145,927
Leasehold improvements	115,677	117,365
	<u>1,599,659</u>	<u>1,552,032</u>
Accumulated depreciation	(1,213,141)	(1,082,132)
TOTAL PROPERTY & EQUIPMENT	<u>386,518</u>	<u>469,900</u>
DEPOSITS		
	116,319	123,083
	<u>\$ 2,079,859</u>	<u>3,080,704</u>
<u>LIABILITIES AND NET CAPITAL DEFICIENCY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 365,780	215,042
Accrued liabilities	769,833	841,965
InterCompany A/P	(0)	
Obligations under capital leases	3,579	11,982
Income taxes payable	18,532	0
Deferred revenue	1,875,072	2,506,868
TOTAL CURRENT LIABILITIES	<u>3,032,796</u>	<u>3,575,857</u>
NET CAPITAL DEFICIENCY:		
Common stock, no par value: 75,000,000 share authorized,	58,850	61,375
Accumulated deficit	(1,094,031)	(603,897)
Cumulative translation adjustment	82,244	47,369
TOTAL NET CAPITAL DEFICIENCY	<u>(952,937)</u>	<u>(495,153)</u>
	<u>\$ 2,079,859</u>	<u>3,080,704</u>



## INPUT

## Consolidated Orders/Expenses

Pre Audit:

(\$000,s) Prep:Date: 1/8/98

UNIT	Actual	Prior
	Y-T-D	Y-T-D
US COMMERCIAL	1595.0	2227.1
	1917.0	2932.6
	-322.0	-705.5
US FEDERAL	1631.4	1670.7
	1599.0	1624.5
	32.4	46.2
BRITAIN	1286.0	1287.9
	1810.0	1901.8
	-524.0	-613.9
FRANCE	550.9	1210.4
	699.4	766.0
	-148.5	444.4
GERMANY	773.2	1555.3
	719.5	1049.2
	53.7	506.1
JAPAN	403.7	679.0
	309.1	397.1
	94.6	281.9
TOTAL	6240.2	8630.4
	7054.0	8671.2
	-813.8	-40.8





the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.2 billion to 1.5 billion.

As the world's population grows, the demand for food and other resources will increase. This will put pressure on the environment and on the world's food supply.

One way to meet this demand is to increase the amount of food that is produced. This can be done by using more land for agriculture or by increasing the yield of existing farmland.

Another way to meet this demand is to reduce the amount of food that is wasted. This can be done by improving food storage and distribution systems.

Finally, it is important to ensure that the world's food supply is distributed fairly. This means that everyone should have access to the food that they need to live.

There are many ways to address these challenges. It is important that we work together to find solutions that will ensure a sustainable and secure food supply for all.

One of the most important things we can do is to support sustainable agriculture. This means using farming practices that are good for the environment and for the people who work on the land.

Another important thing we can do is to reduce our own food waste. This means eating what we buy and not throwing away food that is still good to eat.

Finally, it is important to support fair trade. This means buying products from people who are paid a fair wage for their work.

By working together, we can ensure that the world's food supply is sustainable and secure for everyone.

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Alexis Ismail  
INPUT Limited  
Cornwall House  
55-77 High Street  
Slough  
Berkshire  
SL1 1DZ

6 April 1999  
3/WHPS/KLA  
Direct Line  
0118 928 1360  
Direct Fax  
0118 928 1379

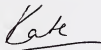
Dear Alexis

1997 STATUTORY ACCOUNTS

I have pleasure in enclosing the signed accounts for 31 December 1997. I have also included a blank copy of the directors' emoluments certificate and the summary, as requested by Pat, for completion for 1998.

May I take this opportunity to wish you good luck in your search for a new job. I have very much enjoyed working with you.

Yours sincerely



Kate Andrews  
Audit Manager

Encs





# INPUT Limited

## Report and Accounts

31 December 1997

*Registered No. 1470416*



## INPUT Limited

---

### DIRECTORS

P A Cunningham

(Chairman)

P E Cunningham

P Lines

(Resigned 6 October 1998)

P Connelly

(Appointed 1 January 1997, resigned 6 October 1998)

### SECRETARY

P E Cunningham

### AUDITORS

Ernst & Young

Apex Plaza

Reading

RG1 1YE

### BANKERS

Lloyds Bank Plc

Piccadilly London Branch

39 Piccadilly

London

W1A 4YE

### REGISTERED OFFICE

Apex Plaza

Reading

RG1 1YE





# INPUT Limited

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1997.

### PRINCIPAL ACTIVITIES

The company's principal activity is to provide market research and consultancy on the information services industry.

### DIRECTORS AND THEIR INTERESTS

The directors of the company are listed on page 1 of the accounts. Their interests in the share capital of the company were as follows:

	At 31 December 1997	At 1 January 1997
	Ordinary shares	Ordinary shares
P A Cunningham	1	1

P A Cunningham is interested in the whole of the company's share capital which is owned by INPUT, a US incorporated company over which he has control. P Lines is interested in 10,500 ordinary shares of the parent company (1996:10,500).

### Interests in options

The parent company, INPUT, operates an incentive stock option plan by which executives are able to subscribe for ordinary shares in the company. The interests of the directors of INPUT Limited were as follows:

	At 1 January 1997	Granted during the year	At 31 December 1997
P Lines	20,000	19,500	39,500

Upon resignation as director the options granted to P Lines lapsed.

### DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



DIRECTORS' REPORT


**AUDITORS**

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

**SMALL COMPANY ACCOUNTS**

The directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

On behalf of the Board



Director



**REPORT OF THE AUDITORS**  
to the members of INPUT Limited

We have audited the accounts on pages 6 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because a computer failure early in 1998 caused the loss of 1997 labour records needed to differentiate a material part of the company's share of turnover from that of other entities in the group to which it belongs. It has not been practical to reconstruct this information. Hence we were unable to satisfy ourselves that the basis of allocation was materially correct.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Fundamental uncertainty**

In forming our opinion, we have considered the ability of the company to continue as a going concern for the foreseeable future. The company is dependent on trading relationships with other group companies and on their continuing ability to settle debts as they fall due. As explained in note 1, the accounts have been prepared on a going concern basis, the validity of which depends upon the financial position of the group to which the company belongs. The accounts do not include any adjustments which would result from the inability of other group companies to settle their debts. Our opinion is not qualified in this respect.

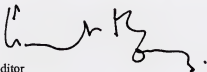
**Qualified opinion: disclaimer of view given by accounts**

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the accounts give a true and fair view of the state of the company's affairs as at 31 December 1997, or of its profit for the year then ended. In all other respects, in our opinion the accounts have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



In respect alone of the limitation on our work relating to turnover:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained.



Registered Auditor  
Reading

1 April 1999





# INPUT Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 1997

	Notes	1997 £	1996 £
TURNOVER	2	1,222,585	1,070,068
Administrative expenses		(1,210,022)	(1,158,030)
OPERATING (LOSS)/PROFIT	3	12,563	(87,962)
Interest receivable		3,225	5,926
Interest payable		-	(383)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		15,788	(82,419)
Tax on profit/(loss) on ordinary activities		(10,114)	26,622
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		5,674	(55,797)
RETAINED PROFIT BROUGHT FORWARD	8	95,921	151,718
RETAINED PROFIT CARRIED FORWARD	8	101,595	95,921

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than those shown in the profit and loss account above.

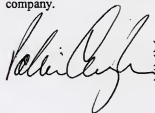


## INPUT Limited

BALANCE SHEET  
at 31 December 1997

	Notes	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	4	96,755	116,307
<b>CURRENT ASSETS</b>			
Debtors	5	526,336	526,141
Cash at bank and in hand		53,897	76,982
		<u>580,233</u>	<u>603,123</u>
<b>CREDITORS: amounts falling due within one year</b>	6	(565,090)	(613,606)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>52,279</u>	<u>(10,483)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>149,034</u>	<u>105,824</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation		(2,823)	(2,823)
		<u>146,211</u>	<u>103,001</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	2	2
Share premium account	8	7,078	7,078
Profit and loss account	8	101,595	95,921
		<u>108,675</u>	<u>103,001</u>

The directors have taken advantage of the exemptions confirmed by Part I of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.

 Director

29 March 1999



## INPUT Limited

### NOTES TO THE ACCOUNTS at 31 December 1997

#### 1. ACCOUNTING POLICIES

##### *Basis of preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards. The company's financial position depends on trading relationships with other group companies and on their continuing ability to settle debts as they fall due.

##### *Deferred taxation*

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

##### *Foreign currencies*

Receivables and payables denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

##### *Deferred revenue*

The estimated proportion of income invoiced but relating to the following year is carried forward as deferred revenue.

##### *Depreciation*

Depreciation is provided on all the tangible fixed assets using the straight line basis method, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Leasehold improvement	-	Life of the lease
Office equipment	-	5 years
Computer equipment/software	-	3 years

##### *Leasing and hire purchase commitments*

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

#### 2. TURNOVER

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax. The turnover and pre-tax profit is attributable to one activity, the provision of market research and consultancy on the information services industry.

#### 3. OPERATING (LOSS)/PROFIT

This is stated after charging/(crediting):

	1997 £	1996 £
Directors' remuneration	140,416	74,053
Auditors' remuneration	15,500	11,650
Hire of plant and machinery	381	-
Depreciation	28,917	26,171
Foreign exchange loss/(gain)	2,557	7,536



# INPUT Limited

## NOTES TO THE ACCOUNTS at 31 December 1997

### 4. FIXED ASSETS

	<i>Leasehold improvements</i> £	<i>Fixtures &amp; Fittings</i> £	<i>Computer Software</i> £	<i>Total</i> £
Cost:				
At 1 January 1997	49,690	116,589	25,055	191,334
Additions	-	8,302	1,075	9,377
Disposals	-	-	-	-
At 31 December 1997	49,690	124,891	26,130	200,711
Accumulated depreciation:				
At 1 January 1997	5,438	55,917	13,672	75,027
Charge for the year	2,493	20,996	5,440	28,929
Disposals	-	-	-	-
At 31 December 1997	7,931	76,913	19,112	103,956
Net book value:				
At 31 December 1997	41,759	47,978	7,018	96,755
At 31 December 1996	44,252	60,672	11,383	116,307

### 5. DEBTORS

	<i>1997</i> £	<i>1996</i> £
Trade debtors	133,991	61,733
Amount owed by other group companies	345,822	323,870
Other debtors	46,423	140,438
Deposits	100	100
	526,336	526,141

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>1997</i> £	<i>1996</i> £
Amounts owed to group companies	129,839	-
Deferred revenue	205,879	482,308
Trade creditors	92,177	42,269
Other taxes and social security costs	30,736	36,524
Other creditors	106,459	52,504
	565,090	613,606





# INPUT Limited

## NOTES TO THE ACCOUNTS at 31 December 1997

### 7. SHARE CAPITAL

	1997 No.	Authorised 1996 No.	1997 £	Allotted, called up and fully paid 1996 £
Ordinary shares of £1 each	100	100	2	2

### 8. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital £	Share Premium £	Profit and loss account £	Total £
At 1 January 1996	2	7,078	151,718	158,798
Loss for the year	-	-	(55,797)	(55,797)
At 1 January 1997	2	7,078	95,921	103,001
Profit for the year	-	-	5,674	5,674
At 31 December 1997	2	7,078	101,595	108,675

### 9. OTHER FINANCIAL COMMITMENTS

At 31 December 1997 the company had annual commitments under non-cancellable operating leases as set out below:

	1997 £	1996 £
<i>Land and buildings</i>		
Operating leases which expire: within two to five years	55,072	54,539

### 10. RELATED PARTIES

The parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the company is a member is INPUT, incorporated in the United States of America. INPUT is also the ultimate parent company with effective 100% control over the share capital of INPUT Limited. P A Cunningham is the ultimate controlling party.

During the year the following related party transactions took place:

	1997 £
Corporate recharges to other group companies	(560,360)
Corporate recharges from other group companies	778,472
Royalties receivable from other group companies	55,649
Royalties payable to other group companies	(184,153)

The year end amount due from other group companies is shown in note 5 and the amount due to other group companies is shown in note 6.







**ATTESTATION**

Dans le cadre de la mission de présentation des Comptes Annuels de la SARL INPUT pour l'exercice du 1er janvier 1997 au 31 décembre 1997, et conformément aux termes de notre lettre de mission, nous avons effectué les diligences que nous avions définies d'un commun accord et nous avons respecté les normes générales de l'Ordre des Experts Comptables .

A l'issue de nos travaux qui ne constituent pas un audit, nous n'avons pas mis en évidence d'éléments susceptibles d'affecter de façon significative la présentation des comptes.

Nous portons à votre connaissance que les écarts de conversion ne sont pas comptabilisés, mais cette omission ne remet pas en cause la cohérence et la vraisemblance des comptes.

Les Comptes Annuels ci-joints, qui se caractérisent par les données suivantes :

- Total du bilan..... FF. 1.654.507.
- Chiffre d'affaires..... FF. 5.166.886.
- Résultat net comptable..... FF. 219.610.

ont été établis à partir des informations communiquées par l'entreprise.

Fait à Paris, le 11 août 1998

Pour AUDIT EXPERTISE SERVICES



Christine COSTARD  
Expert Comptable, Associée.



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## BILAN ACTIF

RUBRIQUES	Montant Brut	Amortissements	Net 31/12/97 [12]	Net 31/12/96 [12]
Capital souscrit non appelé				
<b>IMMOBILISATIONS INCORPORELLES</b>				
Frais d'établissement				
Frais de recherche et développement				
Concessions, brevets, droits similaires				
Fonds commercial				
Autres immobilisations incorporelles				
Avances, acomptes/immobil. incorpor.				
<b>IMMOBILISATIONS CORPORELLES</b>				
Terrains				
Constructions				
Installations techniques, outillage				
Autres immobilisations corporelles	429 216	350 754	78 462	117 447
Immobilisations en cours				
Avances et acomptes				
<b>IMMOBILISATIONS FINANCIERES</b>				
Participations par M.E.				
Autres participations				
Créances rattachées à participations				
Autres titres immobilisés				
Prêts				
Autres immobilisations financières	24 702		24 702	47 952
<b>ACTIF IMMOBILISE</b>	<b>453 918</b>	<b>350 754</b>	<b>103 164</b>	<b>165 399</b>
<b>STOCKS ET EN-COURS</b>				
Stocks de matières premières				
Stocks d'en-cours de production biens				
Stocks d'en-cours production services				
Stocks produits intermédiaires, finis				
Stocks de marchandises				
Avances, acomptes versés sur commandes				
<b>CREANCES</b>				
Créances clients et comptes rattachés	1 346 361		1 346 361	2 085 242
Autres créances				10 016
Capital souscrit, appelé non versé				
Valeurs mobilières de placement				
Disponibilités	196 534		196 534	146 483
<b>COMPTES DE REGULARISATION</b>				
Charges constatées d'avance	8 448		8 448	179 912
<b>ACTIF CIRCULANT</b>	<b>1 551 343</b>		<b>1 551 343</b>	<b>2 421 653</b>
Charges à répartir s/plurs exercices				
Primes remboursement des obligations				
Ecart de conversion actif				
<b>TOTAL GENERAL</b>	<b>2 005 261</b>	<b>350 754</b>	<b>1 654 507</b>	<b>2 587 051</b>



## BILAN PASSIF

RUBRIQUES	31/12/97 [12]	31/12/96 [12]
Capital social ou individuel dont versé 50 000	50 000	50 000
Primes d'émission, de fusion, d'apport,...		
Ecart de réévaluation dont écart équivalence		
Réserve légale		
Réserves statutaires, contractuelles		
Réserves réglementées		
Autres réserves		
Report à nouveau	<201 392>	<269 889>
<b>RESULTAT DE L'EXERCICE</b>	219 610	68 496
Subventions d'investissement		
Provisions réglementées		
<b>CAPITAUX PROPRES</b>	68 218	<151 392>
Produits des émissions de titres participatifs		
Avances conditionnées		
<b>AUTRES FONDS PROPRES</b>		
Provisions pour risques	160 000	160 000
Provisions pour charges		
<b>PROVISIONS POUR RISQUES ET CHARGES</b>	160 000	160 000
<b>DETTES FINANCIERES</b>		
Emprunts obligataires convertibles		
Autres emprunts obligataires		
Emprunts et dettes auprès établissements de crédit		
Emprunts et dettes financières divers		
Avances et acomptes reçus sur commandes en cours		
<b>DETTES D'EXPLOITATION</b>		
Dettes fournisseurs et comptes rattachés	229 829	605 289
Dettes fiscales et sociales	589 537	1 043 977
<b>DETTES DIVERSES</b>		
Dettes sur immobilisations et comptes rattachés		
Autres dettes		
<b>COMPTES DE REGULARISATION</b>		
Produits constatés d'avance	606 924	929 177
<b>DETTES</b>	1 426 289	2 578 443
Ecart de conversion passif		
<b>TOTAL GENERAL</b>	1 654 507	2 587 051

Résultat de l'exercice en centimes

219 609.96

Total du bilan en centimes

1 654 507.21



## COMPTE DE RESULTAT Première partie

RUBRIQUES	France	Export	31/12/97 [12]	31/12/96 [12]
Ventes de marchandises				
Production vendue de biens				
Production vendue de services	3 691 745	1 475 141	5 166 886	5 832 627
<b>CHIFFRES D'AFFAIRES NETS</b>	3 691 745	1 475 141	5 166 886	5 832 627
Production stockée				
Production immobilisée				
Subventions d'exploitation				
Reprises amortissements-provis., transfert charges				
Autres produits				
<b>— PRODUITS D'EXPLOITATION —</b>			5 166 886	5 832 627
Achats de marchandises [et droits de douane]				
Variation de stock de marchandises				
Achats matières premières et approvisionnements				
Variation de stock [matières premières, approvis.]				
Autres achats et charges externes			2 571 207	3 160 473
Impôts, taxes et versements assimilés			68 505	49 686
Salaires et traitements			1 451 921	1 651 062
Charges sociales			611 754	646 975
Dotations amortissements sur immobilisations			42 755	57 352
Dotations aux provisions sur immobilisations				
Dotations aux provisions sur actif circulant				
Dotations provisions pour risques et charges				
Autres charges			18 944	16 358
<b>— CHARGES D'EXPLOITATION —</b>			4 765 087	5 581 904
<b>RESULTAT D'EXPLOITATION</b>			401 799	250 722
Bénéfice attribué ou Perte transférée				
Perte supportée ou Bénéfice transféré				
Produits financiers de participation				
Produits autres valeurs mobilières, créances immob.				
Autres intérêts et produits assimilés				
Reprises sur provisions et transferts de charges				
Différences positives de change				
Produits nets cession valeurs mobilières placement				
<b>— PRODUITS FINANCIERS —</b>				
Dotations financières amortissements et provisions				2 676
Intérêts et charges assimilées			45 090	140 607
Différences négatives de change				
Charges nettes cession valeurs mobil. placement			45 090	143 283
<b>— CHARGES FINANCIERES —</b>				
<b>RESULTAT FINANCIER</b>			<45 090>	<143 283>
<b>RESULTAT COURANT AVANT IMPOTS</b>			356 709	107 439



## COMPTE DE RESULTAT Deuxième partie

RUBRIQUES	31/12/97 [12]	31/12/96 [12]
Produits exceptionnels sur opérations de gestion Produits exceptionnels sur opérations en capital Reprises sur provisions et transferts de charges  <b>— PRODUITS EXCEPTIONNELS —</b>		
Charges exceptionnelles sur opérations de gestion Charges exceptionnelles sur opérations en capital Dotations exceptionnelles amortissements, provisions  <b>— CHARGES EXCEPTIONNELLES —</b>		
<b>RESULTAT EXCEPTIONNEL</b>		
Participation salariés aux fruits de l'expansion Impôts sur les bénéfices	137 099	38 943
<b>TOTAL DES PRODUITS</b>	5 166 886	5 832 627
<b>TOTAL DES CHARGES</b>	4 947 276	5 764 130
<b>BENEFICE OU PERTE</b>	219 610	68 496





INPUT SARL  
 PROFIT/LOSS STATEMENT

=====	=====	=====	=====
ACCT #	DESCRIPTION	BOOK BAL	BOOK BAL
FRENCH FRANCS		12/31/96	12/31/97
=====	=====	=====	=====
501/599	REVENUE	3964226	4236111
900/999	EXPENSES	-3895729	-3948068
	NET PROFIT/LOSS	<u>68497</u>	<u>288043</u>



Account	Subaccount	Description	Beginning Balance	Current Debit	Period Credit	Ending Balance	Adjustment	Adjustment Balance
501	EASE	Program Subscriptions	0.00	0.00	138518.50	138518.50		
501	EINE	Program Subscriptions	0.00	0.00	38363.20	38363.20		
501	FRDS	Program Subscriptions	352237.00	0.00	48138.00	400375.00		
501	IMFE	Program Subscriptions	0.00	0.00	100682.80	100682.80		
501	IMFW	Program Subscriptions	0.00	0.00	39192.00	39192.00		
501	IWA	Program Subscriptions	0.00	0.00	52771.70	52771.70		
501	PBKE	Program Subscriptions	0.00	0.00	18485.20	18485.20		
501	PCME	Program Subscriptions	0.00	0.00	20930.20	20930.20		
501	SCSE	Program Subscriptions	0.00	0.00	176238.40	176238.40		
501	SOPE	Program Subscriptions	0.00	0.00	892521.00	892521.00		
502	YNHCO	Custom Consulting	0.00	0.00	18000.00	18000.00		
502	YNSI6	Custom Consulting	174569.00	0.00	8190.00	182759.00		
502	ZNCQ	Custom Consulting	28000.00	0.00	0.00	28000.00		
502	ZNEMC	Custom Consulting	10000.00	0.00	0.00	10000.00		
503	XTELE	Multiclient Revenue	543343.00	0.00	135000.00	678343.00		
504	FRDS	Reports/Copies	256800.00	0.00	18000.00	274800.00		
504	SCSF	Reports/Copies	18000.00	0.00	0.00	18000.00		
504	SOFP	Reports/Copies	88000.00	0.00	0.00	88000.00		
504	XFSAP	Reports/Copies	367500.00	367500.00	0.00	0.00		
505	EAL1F	Sponsored Projects	0.00	0.00	406000.00	406000.00		
505	E127F	Sponsored Projects	35000.00	0.00	0.00	35000.00		
505	SC17F	Sponsored Projects	62600.00	0.00	0.00	62600.00		
505	SC27F	Sponsored Projects	144400.00	0.00	0.00	144400.00		
505	SO17F	Sponsored Projects	96000.00	0.00	0.00	96000.00		
505	SO18F	Sponsored Projects	0.00	0.00	40000.00	40000.00		
505	SO27F	Sponsored Projects	173000.00	0.00	61456.25	234456.25		
505	SO37F	Sponsored Projects	0.00	0.00	28500.00	28500.00		
508	FRDS	Conference/Seminars	9000.00	0.00	0.00	9000.00		
508	ZNCQ	Conference/Seminars	46375.08	0.00	0.00	46375.08		
520	EASE	Inter Co. Revenue	0.00	0.00	30000.00	30000.00		
520	EINE	Inter Co. Revenue	0.00	0.00	62500.00	62500.00		
520	ICRV	Inter Co. Revenue	0.00	0.00	170550.00	170550.00		
520	IMFE	Inter Co. Revenue	0.00	0.00	89100.00	89100.00		
520	PCME	Inter Co. Revenue	0.00	0.00	265650.00	265650.00		
520	SCSE	Inter Co. Revenue	0.00	0.00	181675.00	181675.00		
520	SOPE	Inter Co. Revenue	0.00	0.00	89100.00	89100.00		
530	EASE	Inter Co. Sales Cost	0.00	49069.80	0.00	-49069.80		
530	EINE	Inter Co. Sales Cost	0.00	22390.00	0.00	-22390.00		
530	IMFE	Inter Co. Sales Cost	0.00	41877.00	0.00	-41877.00		
530	IMFW	Inter Co. Sales Cost	0.00	13202.00	0.00	-13202.00		
530	IWA	Inter Co. Sales Cost	0.00	18665.00	0.00	-18665.00		
530	PBKE	Inter Co. Sales Cost	0.00	15158.00	0.00	-15158.00		
530	PCME	Inter Co. Sales Cost	0.00	20382.00	0.00	-20382.00		
530	SC27F	Inter Co. Sales Cost	-15400.00	0.00	0.00	-15400.00		
530	SCSE	Inter Co. Sales Cost	0.00	89332.00	0.00	-89332.00		
530	SO27F	Inter Co. Sales Cost	0.00	30578.12	0.00	-30578.12		
530	SOPE	Inter Co. Sales Cost	0.00	446884.40	0.00	-446884.40		
530	XTELE	Inter Co. Sales Cost	-120337.00	47500.00	0.00	-167837.00		
** Total Income & Expenses			2269087.08	1162538.32	3129562.25	4236111.01		



Account	Subaccount	Description	Beginning Balance	Current Debit	Period Credit	Ending Balance	Adjustment	Adjustment Balance
900	RES	Research-Outside Consultants	234875.53	44244.63	0.00	279120.16		
901	EXE	Executive Administration	430250.35	36897.00	0.00	467147.35		
902	RES	Operations Program Analysts	407070.93	53073.47	0.00	460144.40		
904	M&S	Sales	329469.55	39033.33	0.00	368502.88		
906	ADM	General & Administration	149717.54	13074.77	0.00	162792.31		
910	M&S	Sales Commission Incentive	66415.50	17175.00	0.00	83590.50		
911	ADM	Opns-Prog.Anal.Bonus Incentive	82828.00	20280.00	0.00	103108.00		
922	ADM	Group Ins/Pension Benefits	337.48	0.00	0.00	337.48		
922	EXE	Group Ins/Pension Benefits	337.48	0.00	0.00	337.48		
922	M&S	Group Ins/Pension Benefits	674.96	0.00	0.00	674.96		
922	RES	Group Ins/Pension Benefits	674.96	0.00	0.00	674.96		
923	ADM	Payroll Taxes	58908.83	0.00	8329.77	50579.06		
923	EXE	Payroll Taxes	200051.78	0.00	0.00	200051.78		
923	M&S	Payroll Taxes	181217.52	0.00	54304.54	126912.98		
923	RES	Payroll Taxes	186458.74	0.00	21236.48	165222.26		
945	ADM	Supplies	21752.09	5220.15	0.00	26972.24		
945	M&S	Supplies	0.00	117.20	0.00	117.20		
945	RES	Supplies	2847.45	4381.87	0.00	7229.32		
946	RES	Postage/Shipping	36422.58	3684.73	0.00	40107.31		
947	RES	Printing	34964.06	7993.67	0.00	42957.73		
949	RES	Dues/Subscriptions	9268.65	0.00	0.00	9268.65		
954	ADM	Equipment Lease	4480.00	0.00	0.00	4480.00		
955	ADM	Equipment Maintenance	14508.94	0.00	2528.97	11979.97		
956	ADM	Equipment Depreciation	36025.00	6730.28	0.00	42755.28		
957	ADM	Building Rent	170000.00	17000.00	0.00	187000.00		
958	ADM	Building Maintenance	16092.36	5277.06	0.00	21369.42		
962	ADM	Telephone	52061.50	0.00	27592.49	24469.01		
962	EXE	Telephone	17535.00	0.00	0.00	17535.00		
962	M&S	Telephone	53300.00	4165.00	0.00	57465.00		
962	RES	Telephone	63741.00	6767.95	0.00	70508.95		
965	M&S	Conference/Trade Shows	20149.26	0.00	0.00	20149.26		
967	M&S	Advertising and Promotion	26655.00	0.00	10901.60	15753.40		
971	ADM	Outside Accounting	139826.40	0.00	8874.36	130952.04		
978	ADM	Travel/Lodging/Entertainment	43366.42	7472.09	0.00	50836.51		
978	EXE	Travel/Lodging/Entertainment	129935.30	11202.82	0.00	141138.12		
978	M&S	Travel/Lodging/Entertainment	11910.10	6323.24	0.00	18233.34		
978	RES	Travel/Lodging/Entertainment	22430.07	31174.49	0.00	53604.56		
982	ADM	Recruiting	20000.00	7950.00	0.00	27950.00		
987	ADM	Currency Gain or Loss	34483.19	10607.09	0.00	45090.28		
988	ADM	Business Liability Insurance	713.00	0.00	0.00	713.00		
991	ADM	Taxes-Non Income	27099.37	0.00	16130.00	10969.37		
993	ADM	Miscellaneous Costs	24715.63	7197.99	0.00	31913.62		
995	AFP	Central Finance Charge	46935.00	6585.00	0.00	53520.00		
996	EXE	Executive Charge	20039.00	0.00	0.00	20039.00		
997	ACC	Corporate Charge	253035.00	21955.00	0.00	274990.00		
998	ADM	Provision For Income Tax	0.00	12387.00	0.00	12387.00		
** Total Income & Expenses			-368995.52	407970.83	149898.21	-394806.14		



## INPUT SARL

TRIAL BALANCE - 12-31-97

=====	=====	=====	=====
DESCRIPTION	BOOK BAL 12-31-96	BOOK BAL 12-31-97	
=====	=====	=====	=====
ASSETS	FF	FF	
CASH	146483.46	196464.10	
ACCTS. RECEIVABLE	1903383.34	690378.83	
UNBILLED A/R	130353.00	0.00	
ACCOUNTS RECEIVABLE - MISC.	0.00	38939.00	
PREPAID EXPENSES	179912.00	0.00	
TOTAL ASSETS	2360131.80	925781.93	
PROPERTY & EQUIP	425445.17	429216.31	
LESS: ACCUM DEPRECIATION	-307998.57	-350753.85	
INTER-CO RECEIVABLES	0.00	655982.39	
DEPOSITS	47952.00	47952.00	
TOTAL ASSETS	2525530.40	1708178.78	
	=====	=====	
LIABILITIES			
ACCOUNTS PAYABLE	60707.09	17356.36	
INTERCO PAYABLES	398634.37	155472.37	
CONTRACTS PAYABLE	0.00	0.00	
ACC SAL & VACATION	205594.30	129227.00	
ACC SALES & P.R TAX	811530.01	379108.80	
ACC MISC. EXPENSES	111279.83	123439.58	
DEFERRED REVENUE	929177.00	606924.00	
RETAINED EARNINGS	8607.80	296650.67	
TOTAL LIABILITIES & EQUITY	2525530.40	1708178.78	
	=====	=====	





Account	Subaccount	Description	Beginning Balance	Current Period Debit	Current Period Credit	Ending Balance	Adjustment	Adjustment Balance
106	000000	Operating Accounts	5697.10	188767.00	0.00	194464.10		
108	000000	Petty Cash	2000.00	0.00	0.00	2000.00		
141	0000000	Accounts Receivable -Trade	485188.02	205190.81	0.00	690378.83		
143	YNSI6	Unbilled Reimbursable Travel	590.60	0.00	590.60	0.00		
144	000000	Unbilled Accounts Receivable	333.00	0.00	333.00	0.00		
146	000000	Accounts Receivable - Misc.	0.00	38939.00	0.00	38939.00		
163	000000	Prepaid Expenses	16956.73	0.00	16956.73	0.00		
201	0000000	Furniture & Fixtures	57015.93	0.00	0.00	57015.93		
202	000000	Office Equipment	334691.42	0.00	0.00	334691.42		
203	000000	Computer Software	37508.96	0.00	0.00	37508.96		
211	000000	Depr: Furniture & Fixtures	-65663.78	14931.89	0.00	-50731.89		
212	000000	Depr: Office Equipment	-249572.01	0.00	16457.63	-266029.64		
213	000000	Depr: Computer Software	-28787.78	0.00	5204.54	-33992.32		
221	000000	Inter Co. Receivable - US	0.00	516863.99	0.00	516863.99		
223	000000	Inter Co. Receivable Germany	0.00	82214.95	0.00	82214.95		
226	000000	Inter Co. Receivable Corp	0.00	56903.45	0.00	56903.45		
241	000000	Deposit Account	47952.00	0.00	0.00	47952.00		
** Total Assets			643910.19	1103811.09	39542.50	1708178.78		
311	000000	Accounts Payable	61918.10	44561.74	0.00	17356.36		
321	000000	Inter Co. Payables US	-157156.27	0.00	157156.27	0.00		
322	000000	Inter Co. Payables UK	105551.28	0.00	49921.09	155472.37		
322	PCME	Inter Co. Payables UK	168200.00	168200.00	0.00	0.00		
323	000000	Inter Co. Payables Germany	-32302.55	0.00	32302.55	0.00		
326	000000	Inter Co. Payables Corp	-131743.83	0.00	131743.83	0.00		
331	000000	Sales/Value Added Tax	135611.22	0.00	34979.58	170590.80		
332	000000	Payroll Taxes	277191.13	55612.13	0.00	221579.00		
342	000000	Accrued Income Taxes	-34661.00	0.00	0.00	-34661.00		
351	000000	Accrued Salaries	-32886.28	0.00	32886.28	0.00		
351	EXE	Accrued Salaries	-4010.72	0.00	4010.72	0.00		
352	000000	Accrued Commissions	8420.00	0.00	13180.00	21600.00		
353	000000	Accrued Vacation	129227.00	0.00	0.00	129227.00		
361	000000	Accrued Miscellaneous	146206.62	22767.04	0.00	123439.58		
361	ADM	Accrued Miscellaneous	34000.00	34000.00	0.00	0.00		
362	ADM	Accrued Employee Expenses	-8514.87	0.00	8514.87	0.00		
362	EXE	Accrued Employee Expenses	-2082.00	0.00	2082.00	0.00		
399	000000	Deferred Income	-835.00	0.00	835.00	0.00		
399	EASE	Deferred Income	-28000.00	0.00	28000.00	0.00		
399	EINE	Deferred Income	60000.00	43511.00	0.00	16489.00		
399	FRDS	Deferred Income	125000.00	93122.00	0.00	31878.00		
399	IMPE	Deferred Income	48138.00	48138.00	0.00	0.00		
399	IVA	Deferred Income	178200.00	164604.00	0.00	13596.00		
399	PBKE	Deferred Income	30000.00	30000.00	0.00	0.00		
399	PCME	Deferred Income	125000.00	72247.00	0.00	52753.00		
399	SCSE	Deferred Income	0.00	0.00	98672.00	98672.00		
399	SCSF	Deferred Income	196950.00	120771.00	0.00	76179.00		
399	SOPD	Deferred Income	166400.00	166400.00	0.00	0.00		
399	SOPE	Deferred Income	125000.00	125000.00	0.00	0.00		
399	SOPE	Deferred Income	273200.00	10843.00	0.00	262357.00		
399	XTELE	Deferred Income	40000.00	40000.00	0.00	0.00		
399	YNEUR	Deferred Income	0.00	0.00	55000.00	55000.00		
399	YNHCO	Deferred Income	18000.00	18000.00	0.00	0.00		
399	YNSI6	Deferred Income	8190.00	8190.00	0.00	0.00		
399	ZNCQ	Deferred Income	28000.00	28000.00	0.00	0.00		
430	000000	Prior Year Retained Earnings	-59888.65	0.00	0.00	-59888.65		



Account	Subaccount	Description	Beginning Balance	Current Period Debit	Current Period Credit	Ending Balance	Adjustment	Adjustment Balance
430	ACC	Prior Year Retained Earnings	-192496.00	0.00	0.00	-192496.00		
430	ADM	Prior Year Retained Earnings	-975522.51	0.00	0.00	-975522.51		
430	AFP	Prior Year Retained Earnings	-99963.00	0.00	0.00	-99963.00		
430	EXE	Prior Year Retained Earnings	-964232.28	0.00	0.00	-964232.28		
430	FRDS	Prior Year Retained Earnings	1807167.00	0.00	0.00	1807167.00		
430	ICOS	Prior Year Retained Earnings	-1818988.00	0.00	0.00	-1818988.00		
430	ICRV	Prior Year Retained Earnings	3601224.00	0.00	0.00	3601224.00		
430	M&S	Prior Year Retained Earnings	-878920.50	0.00	0.00	-878920.50		
430	RES	Prior Year Retained Earnings	-778894.81	0.00	0.00	-778894.81		
430	XTLE	Prior Year Retained Earnings	15244.00	0.00	0.00	15244.00		
430	YNAG6	Prior Year Retained Earnings	110000.00	0.00	0.00	110000.00		
430	YNAME	Prior Year Retained Earnings	72750.00	0.00	0.00	72750.00		
430	YNCU	Prior Year Retained Earnings	85087.55	0.00	0.00	85087.55		
430	YNDE6	Prior Year Retained Earnings	64000.00	0.00	0.00	64000.00		
430	YNSG5	Prior Year Retained Earnings	4800.00	0.00	0.00	4800.00		
430	YNSI6	Prior Year Retained Earnings	17241.00	0.00	0.00	17241.00		
431	ACC	Current Year Retained Earnings	-253035.00	21955.00	0.00	-274990.00		
431	ADM	Current Year Retained Earnings	-903330.75	49740.84	0.00	-953071.59		
431	AFP	Current Year Retained Earnings	-46935.00	6585.00	0.00	-53520.00		
431	EA17F	Current Year Retained Earnings	0.00	0.00	406000.00	406000.00		
431	EASE	Current Year Retained Earnings	0.00	0.00	119448.70	119448.70		
431	EL27F	Current Year Retained Earnings	35000.00	0.00	0.00	35000.00		
431	EINE	Current Year Retained Earnings	0.00	0.00	78473.20	78473.20		
431	EXE	Current Year Retained Earnings	-798148.91	48099.82	0.00	-846248.73		
431	FRDS	Current Year Retained Earnings	618037.00	0.00	66138.00	684175.00		
431	ICRV	Current Year Retained Earnings	0.00	0.00	170550.00	170550.00		
431	IMFE	Current Year Retained Earnings	0.00	0.00	147905.80	147905.80		
431	IMFW	Current Year Retained Earnings	0.00	0.00	25990.00	25990.00		
431	IYA	Current Year Retained Earnings	0.00	0.00	34106.70	34106.70		
431	M&S	Current Year Retained Earnings	-689791.89	1607.63	0.00	-691399.52		
431	PBKE	Current Year Retained Earnings	0.00	0.00	3327.20	3327.20		
431	PCME	Current Year Retained Earnings	0.00	0.00	266198.20	266198.20		
431	RES	Current Year Retained Earnings	-998753.97	130084.33	0.00	-1128838.30		
431	SC17F	Current Year Retained Earnings	62600.00	0.00	0.00	62600.00		
431	SC27F	Current Year Retained Earnings	129000.00	0.00	0.00	129000.00		
431	SCSE	Current Year Retained Earnings	0.00	0.00	268581.40	268581.40		
431	SCSF	Current Year Retained Earnings	18000.00	0.00	0.00	18000.00		
431	SO17F	Current Year Retained Earnings	96000.00	0.00	0.00	96000.00		
431	SO18F	Current Year Retained Earnings	0.00	0.00	40000.00	40000.00		
431	SO27F	Current Year Retained Earnings	17300.00	0.00	30878.13	203878.13		
431	SOFE	Current Year Retained Earnings	0.00	0.00	28500.00	28500.00		
431	SOPF	Current Year Retained Earnings	0.00	0.00	534736.60	534736.60		
431	SOPF	Current Year Retained Earnings	88000.00	0.00	0.00	88000.00		
431	XFSAP	Current Year Retained Earnings	367500.00	0.00	0.00	367500.00		
431	XTLE	Current Year Retained Earnings	423006.00	0.00	87500.00	510506.00		
431	YNHCO	Current Year Retained Earnings	0.00	0.00	18000.00	18000.00		
431	YNSI6	Current Year Retained Earnings	174569.00	0.00	8190.00	182759.00		
431	ZNCQ	Current Year Retained Earnings	74375.08	0.00	0.00	74375.08		
431	ZNEMC	Current Year Retained Earnings	10000.00	0.00	0.00	10000.00		

\*\* Total Liabilities

64391.09

1919539.53

2983808.12

1708178.78



INPUT SARL  
24, avenue du Recteur Poincaré  
75016 PARIS  
RCS Paris B 347 726 644

Trésorerie Paris 16<sup>ème</sup> Arrondissement  
1<sup>ère</sup> division  
37, rue Molitor  
75775 PARIS Cedex 15

Réf : IS/347 726 440

Paris, le 11 août 1998

Messieurs,

Nous vous prions de bien vouloir trouver ci-joint un chèque d'un montant de FRF. 137.099 en paiement de notre impôt sur les sociétés au titre de notre exercice clos le 31 décembre 1997.

Ce montant se décompose ainsi que suit :

- Bénéfice fiscal.....	373.910	62,318
- Impôt à 33 <sup>1/3</sup> % .....	124.636	
- Contribution de 10 % .....	12.463	

Nous vous prions de bien vouloir nous excuser pour ce retard dû à la réorganisation de notre société, et notamment notre service de facturation.

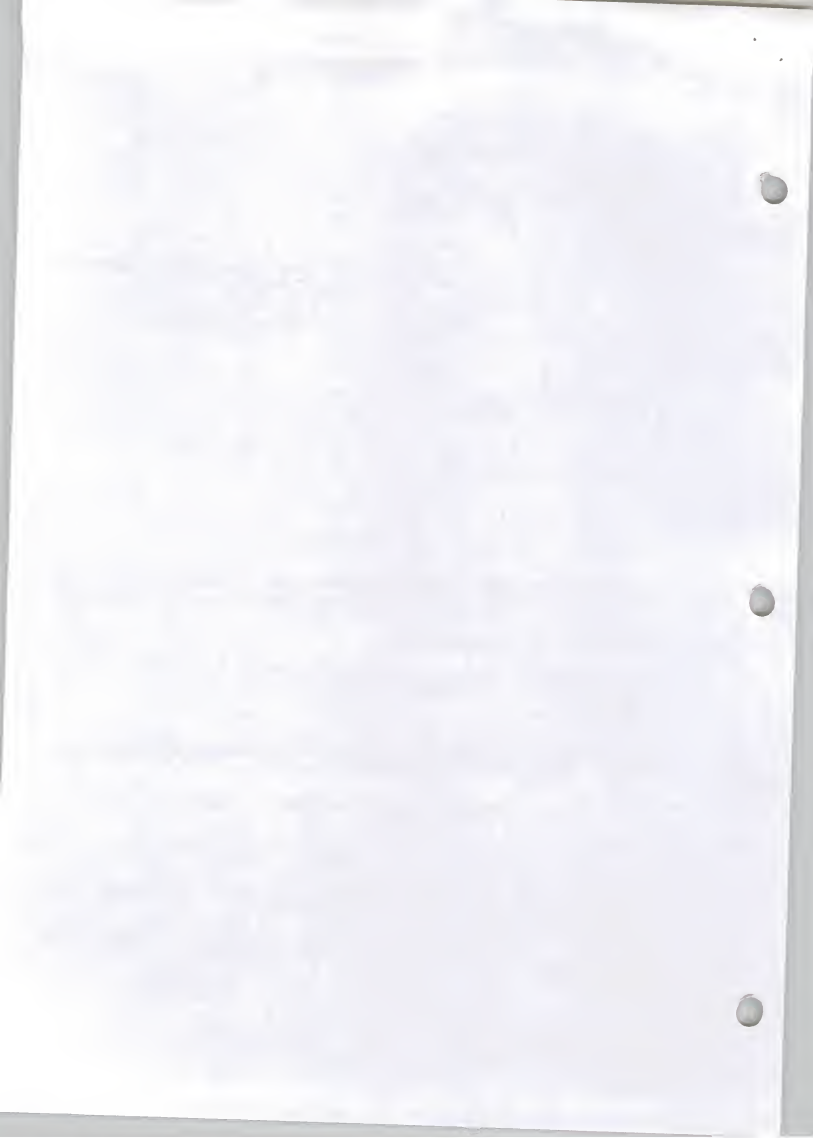
Nous vous prions de croire, Messieurs, en notre considération distinguée.



Patricia CUNNINGHAM  
Gérante.

Nos réf : CHC/JME/9806363  
Objet : INPUT - Trésorerie 16<sup>ème</sup>  
Page : 1 sur 1

To sign and to send to  
"Tresorery" with a cheque  
of FRF. 137,099 at the  
order of "Trésor Public"  
Thanks  
Christine



# IMPÔT SUR LES SOCIÉTÉS

Timbre à date du service

Exercice ouvert le 010197  
et clos le 311297

Régime "simplifié d'imposition" ☐ (cochez la case correspondante)  
ou "réel normal" ☒

Adresse du service  
où doit être  
déposée cette  
déclaration

Adresse du déclarant (quand celle-ci est différente de  
l'adresse du destinataire)

## A IDENTIFICATION

SARL INPUT

Société à Responsabilité Limitée

Identification du  
destinataire

24, Rue du Recteur Poincaré 75016 PARIS

34772644000012

741E

Code APE

Préciser éventuellement :  
l'ancienne adresse en cas  
de changement :  
le téléphone :

Activités exercées (souligner l'activité principale) :

Si vous avez changé d'activité, cochez la case ☐

## B RÉCAPITULATION DES ÉLÉMENTS D'IMPOSITION (voir renvois page 4)

1 Résultat fiscal (report des lignes XN ou XO, 370 ou 372  
des tableaux n°2058-A ou n° 2033-B)

BÉNÉFICE

373 918

DÉFICIT

Imposition lors de l'incorporation des bénéfices  
au capital des PME (art. 219-If du CGI)

Bénéfice  
imposable au  
taux de 19%

Bénéfice  
imposable au  
taux de 19%

2 Plus-values

à long terme  
imposables  
au taux de 19%

3 Abattements et exonérations en faveur des entreprises nouvelles ou implantées en zones d'entreprises ou zones franches.  
(Cochez la case selon le cas). Ces montants ne doivent pas être retranchés des résultats mentionnés en B-1 et B-2.

art. CGI entreprises nouvelles 44 séries

créées en Corse, art 208 séries

208 quinquièmes, zones d'entreprises

44 décies  
zone franche Corse

art. CGI entreprises nouvelles 44 septies

créées en Corse, art 208 quater A

44 décies, zones franches urbaines

bénéfice ou déficit exonéré  
(indiquer + ou - selon le cas)

plus-values à  
long terme imposables  
au taux de 19%

## C IMPUTATIONS (voir renvois page 4)

Les crédits d'impôts et avoirs fiscaux indiqués aux 1 et 2 ci-dessous ne sont imputables que pour partie s'ils n'ont pas été comptabilisés  
par l'entreprise (66,66%).

1. Au titre des revenus mobiliers de source française ou étrangère, ayant donné lieu à la délivrance  
d'un certificat de crédit d'impôt

Impôt déjà versé au Trésor (Crédit d'impôt et avoirs fiscaux) indiqué sur les certificats joints  
à la présente déclaration ou afférents aux primes de remboursement

2. Au titre des revenus auxquels est attaché, en vertu d'une convention fiscale conclue avec un Etat  
étranger, ou un territoire ou collectivité territoriale d'Outre-Mer, un crédit d'impôt représentatif de l'impôt  
de cet Etat, territoire ou collectivité.

Total figurant en cartouche au cadre VII de l'imprimé n° 2066

3. Au titre du précompte

acquis au moment des distributions prélevées  
sur la réserve spéciale des plus-values à long terme.

somme prélevée  
sur la  
réserve spéciale

montant du précompte  
à imputer sur  
l'impôt sur les sociétés

4. Crédits d'impôt et imputations

crédit  
formation en faveur  
de la recherche

rachet d'une  
entreprise  
par les salariés

autres  
imputations

pour création  
d'emploi

Si vous participez à la Procédure de Transfert des données fiscales et comptables, cochez la case ☐

Nom, adresse, téléphone, télécopie :

- du comptable

- conseil:

n° agrément CGA

Visa et cachet des membres de l'Ordre des experts comptables

A PARIS..... le 10.04.1998

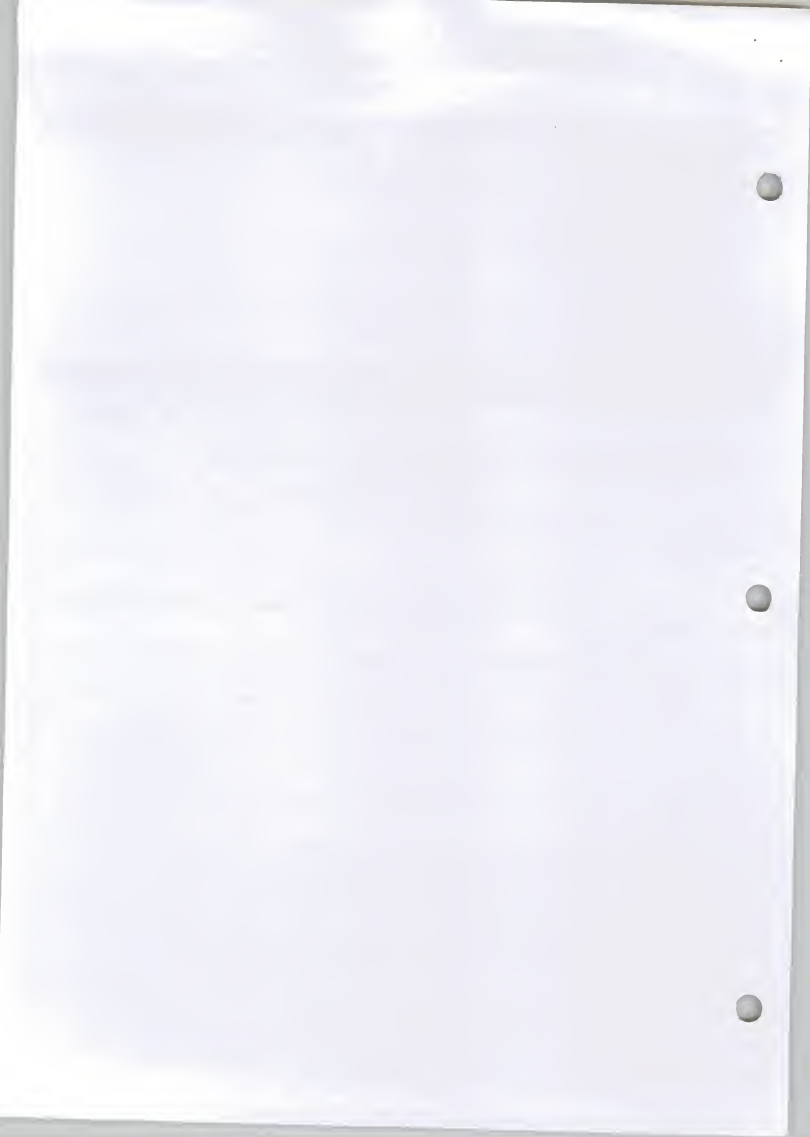
Signature et  
qualité du déclarant

Préciser dans le cadre ci-dessous s'il s'agit d'une partie du personnel salarié de l'entreprise (S : Salarié, F : Indépendant).









# IMPÔT SUR LES SOCIÉTÉS

## ANNEXE A LA DÉCLARATION N°2065

D.G.I. N° 2065 Ter  
(1998)

Désignation de l'entreprise  
et Date de clôture de l'exercice  
SARL INPUT  
311297

(A ne remplir que sur les exemplaires "en continu")

### AFFECTATION DES VOITURES DE TOURISME

figurant à l'actif de l'entreprise ou dont celle-ci a assumé les frais d'entretien.  
Si ce cadre est insuffisant, joindre un état du même modèle.

Voitures affectées aux dirigeants ou aux cadres

Voitures utilisées pour les besoins généraux de l'exploitation

Caractéristiques 1	Nom, qualité et adresse de la personne à laquelle la voiture est affectée	Propriétaire 2	Caractéristiques 1	Service auquel la voiture est affectée	Propriétaire 2

1 Veuillez indiquer la marque et la puissance de la voiture. 2 Veuillez préciser si l'entreprise est ou non propriétaire du véhicule (mention P ou NP, selon le cas).

### G DIVERS

NOM ET ADRESSE DU PROPRIÉTAIRE DU FONDS (en cas de gérance libre)

ADRESSES DES AUTRES ÉTABLISSEMENTS (Si le cadre est insuffisant, joindre un état du même modèle)

**NEANT**

### CADRE NE CONCERNANT QUE LES ENTREPRISES PLACÉES SOUS LE RÉGIME SIMPLIFIÉ D'IMPOSITION

#### RÉMUNÉRATIONS

Montant brut des salaires, abstraction faite des sommes comprises dans les DADS et versées aux apprentis sous contrat et aux handicapés, figurant sur la DADS 1 ou modèle 2460 de 1997, montant total des bases brutes fiscales inscrites dans les colonnes 20 A. Ils doivent être majorés, le cas échéant, des indemnités exonérées de la taxe sur les salaires, telles notamment les sommes portées dans les colonnes 22 C au titre de la contribution de l'employeur à l'acquisition des chèques-vacances par les salariés.

Rétrocessions d'honoraires, de commissions et de courtages

PLUS-VALUES (voir les explications figurant page 3 de la notice n°2033 bis, rubrique 130)

Inscription des plus-values à long terme à la réserve spéciale	taxées à 19%
Plus-values réalisées au cours de l'exercice précédent N-1 1	
Plus-values des exercices antérieurs restant à affecter à la réserve spéciale et réalisées au cours des exercices N-2 2	
N-3 3	
Sommes affectées à la réserve spéciale au cours de l'exercice 4	
Sommes non affectées à imposer (voir notice n° 2033 bis page 2) 5	
Montant restant à affecter (1 + 2 + 3) - (4 + 5) 6	

### I RÉGIME FISCAL DES GROUPES DE SOCIÉTÉS

Les entreprises placées sous le régime des groupes de sociétés, doivent déposer cette déclaration en deux exemplaires. (Articles 223 A à U du C.G.I.)

- Date d'entrée dans le groupe de la société déclarante
- Résultat fiscal de cette société déterminé comme si elle n'était pas membre du groupe (report du résultat figurant sur le tableau n° 2058A bis).

bénéfice ou déficit  
(indiquer + ou -  
selon le cas)

plus ou moins-values à  
long terme imposables  
au taux de 19%

- Chiffres d'affaires TTC

- Pour les sociétés filiales, désignation et adresse du lieu d'imposition de la société mère.

n° SIRET

n° FRP (pour les seuls adhérents TDFO)



Désignation de l'entreprise : SARL INPUT Durée de l'exercice exprimée en nombre de mois \* 12  
Adresse de l'entreprise 24, Rue du Recteur Poincaré 75016 PARIS Durée de l'exercice précédent \* 12  
Numéro SIRET \* 34772644000012 Code APE 741E Exercice précédent (N.1) clos le : 311296

(Ne pas reporter le montant des centimes) *		Exercice N, clos le : <u>311297</u>				<u>311296</u>	
		Brut 1	Amortissements, provisions 2	Net 3		Net 4	
IMMOBILISATIONS INCORPORELLES	Capital souscrit non appelé (0)	AA					
	Frais d'établissement *	AB	AC				
	Frais de recherche et développement *	AD	AE				
	Cessions, brevets et droits similaires	AF	AG				
	Fonds commercial (1)	AH	AI				
	Autres immobilisations incorporelles	AJ	AK				
	Avances et acomptes sur immobilisations incorporelles	AL	AM				
	Terrains	AN	AO				
	Constructions	AP	AQ				
	Installations techniques, matériel et outillage industriels	AR	AS				
IMMOBILISATIONS CORPORELLES	Autres immobilisations corporelles	AT	429 216 AU	350 754	78 462	117 447	
	Immobilisations en cours	AV	AW				
	Avances et acomptes	AX	AY				
	Participations évaluées selon la méthode de mise en équivalence	CS	CT				
	Autres participations	CU	CV				
	Créances rattachées à des participations	BB	BC				
	Autres titres immobilisés	BD	BE				
	Prêts	BF	BG				
	Autres immobilisations financières *	BH	24 702 BI	24 702	47 952		
	TOTAL (I)	BJ	453 918 BK	350 754	103 164	165 399	
STOCKS	Matières premières, approvisionnements	BL	BM				
	En cours de production de biens	BN	BO				
	En cours de production de services	BP	BQ				
	Produits intermédiaires et finis	BR	BS				
	Marchandises	BT	BU				
	Avances et acomptes versés sur commandes	BV	BW				
	Clients et comptes rattachés (3) *	BX	1 346 361 BY	1 346 361	2 085 242		
	Autres créances (3)	BZ	CA		10 016		
	Capital souscrit et appelé, non versé	CB	CC				
	Valeurs mobilières de placement (dont actions propres .....	CD	CE				
DIVERS	Disponibilités	CF	196 534 CG	196 534	146 483		
	Charges constatées d'avance (3) *	CH	8 448 CI	8 448	179 912		
	TOTAL (II)	CJ	1 551 343 CK	1 551 343	2 421 653		
	Charges à répartir sur plusieurs exercices * (III)	CL					
	Primes de remboursement des obligations (IV)	CM					
	Ecart de conversion actif *	CN					
	TOTAL GÉNÉRAL (0 à V)	CO	2 005 261 1A	350 754	1 654 507	2 587 051	
			(2) Part à moins d'un an des immobilisations financières nettes :	CP			
			(3) Part à plus d'un an :	CR			
			Stocks :				
			Créances :				

EXEMPLAIRE A CONSERVER PAR LE DÉCLARANT

Copie à conserver avant 30/01/1999

Renvois : (1) Dont droit au bail :

Clause de réserve de propriété : Immobilisations :

\* Des explications concernant cette rubrique sont données dans le notice n° 3032



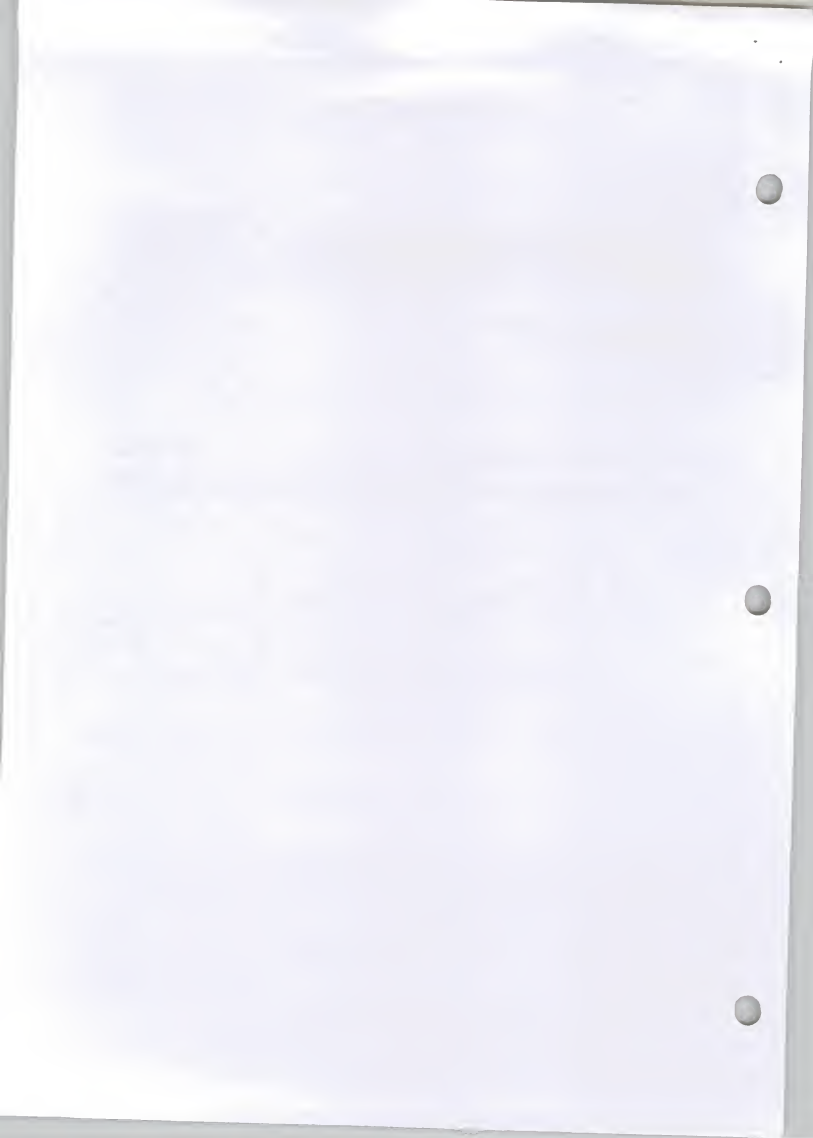


SARL INPUT

Exercice clos le 31/12/1997

**DETAIL DES CHARGES CONSTATEES D'AVANCE**  
Annexe à l'imprimé 2050

<u>CHARGES D'EXPLOITATION</u>	
Abonnement Internet	7 000
Maintenance	1 448
<b>TOTAL DES CHARGES D'EXPLOITATION</b>	<b>8 448</b>
<b>TOTAL DES CHARGES CONSTATEES D'AVANCE</b>	<b>8 448</b>





②

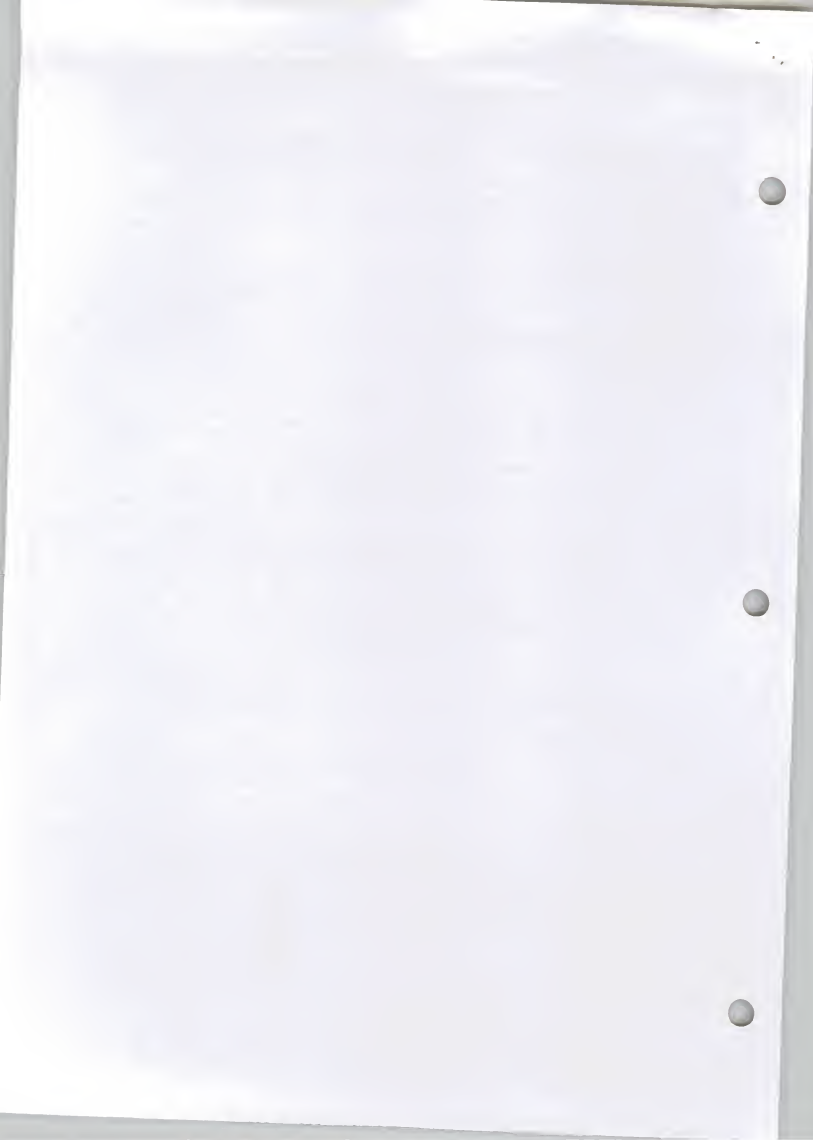
## BILAN — PASSIF avant répartition

EXEMPLAIRE A CONSERVER PAR LE DÉCLARANT

Compte BILANANT SUPT (1998)

Désignation de l'entreprise		SARL INPUT		
(Ne pas reporter le montant des centimes) *		Exercice N 1	Exercice N - 1 2	
CAPITAUX PROPRES	Capital social ou individuel (1)* (Dont versé : ..... 50.000 .....)	DA	50 000	50 000
	Primes d'émission, de fusion, d'apport, ....	DB		
	Ecart de réévaluation (2)* (dont écart d'équivalence <input type="checkbox"/> EK <input type="checkbox"/> )	DC		
	Réserve légale (3)	DD		
	Réserves statutaires ou contractuelles	DE		
	Réserves réglementées (3) (4)	DF		
	Autres réserves	DG		
	Report à nouveau	DH	(201 392)	(269 889)
	<b>RÉSULTAT DE L'EXERCICE (bénéfice ou perte)</b>	DI	219 610	68 496
	Subventions d'investissement	DJ		
Provisions réglementées *	DK			
	<b>TOTAL (I)</b>	DL	68 218	(151 392)
Autres fonds propres	Produit des émissions de titres participatifs	DM		
	Avances conditionnées	DN		
	<b>TOTAL (II)</b>	DO		
Provisions pour risques et charges	Provisions pour risques	DP	160 000	160 000
	Provisions pour charges	DQ		
	<b>TOTAL (III)</b>	DR	160 000	160 000
DETTES (5)	Emprunts obligataires convertibles	DS		
	Autres emprunts obligataires	DT		
	Emprunts et dettes auprès des établissements de crédit (6)	DU		
	Emprunts et dettes financières divers (7)	DV		
	Avances et acomptes reçus sur commandes en cours	DW		
	Dettes fournisseurs et comptes rattachés	DX	229 829	605 289
	Dettes fiscales et sociales	DY	589 537	1 043 977
	Dettes sur immobilisations et comptes rattachés	DZ		
	Autres dettes	EA		
	Compte régular.	Produits constatés d'avance (5)	EB	606 924
	<b>TOTAL (IV)</b>	EC	1 426 289	2 578 443
	<b>(V)</b>	ED		
	Ecart de conversion passif*	EE	1 654 507	2 587 051
	<b>TOTAL GÉNÉRAL (I à V)</b>		1 654 507,21	
Total du bilan de l'exercice N en francs et centimes *				
VOIS	(1) Écart de réévaluation incorporé au capital	IB		
	(2) Dont { Réserve spéciale de réévaluation (1959) Écart de réévaluation libre Réserve de réévaluation (1976)	IC		
		ID		
		IE		
	(3) Dont réserve réglementée des plus-values à long terme *	EF		
	(4) Dont réserve relative à l'achat d'oeuvres originales d'artistes vivants *	EJ		
	(5) Dettes et produits constatés d'avance à moins d'un an	EG	1 426 289	2 578 443
(6) Dont concours bancaires courants, et soldes créditeurs de banques et CCP	EH			
(7) Dont emprunts participatifs	EI			

\* Des explications concernant cette rubrique sont données dans la notice n° 2032.







**INPUT**

1881 Landings Drive  
Mountain View, CA 94043-0848  
Tel. (650) 961-3300  
Fax (650) 961-3966  
[www.input.com](http://www.input.com)

July 13, 1998

Mr. Helm  
HAAS & HAAS  
Bahnhofstrasse 62  
D-35390 Giessen  
Germany

Dear Mr. Helm:

Audit paperwork for INPUT GmbH for the year 1997 is enclosed.

Please contact me if you have any questions, my direct number is (650) 528-6385.  
You may also reach me by fax at (650) 961-3967.

Regards,

*Sheila Collins*  
Sheila Collins  
Controller

Enclosure(s)

Cc: S. Pongratz



INPUT GERMANY  
PROFIT & LOSS STATEMENT

DESCRIPTION	BOOK BAL 12-31-96	BOOK BAL 12-31-97	VARIANCE
	D.M.	D.M.	D.M.
DEDS	192451.00	69124.00	-123327.00
EAS	0.00	81478.71	81478.71
EIN	0.00	11252.95	11252.95
IMFE	0.00	29580.99	29580.99
IMFW	0.00	11499.90	11499.90
IVA	0.00	15491.50	15491.50
MVPP	141126.00	39120.90	-102005.10
PBK	0.00	5427.79	5427.79
PCM	0.00	6141.71	6141.71
SCS	0.00	24216.15	24216.15
SOP	0.00	30236.39	30236.39
TOTAL SUBSCRIPTION	333577.00	323570.99	-10006.01
CUSTOM	42437.00	32915.00	-9522.00
MULTCLIENT	673936.00	43220.91	-630715.09
REPORT/COPIES	233726.40	64925.00	-168801.40
SPONSORED PROJECTS	0.00	468540.00	468540.00
CONS. PRESENTATIONS	19300.00	0.00	-19300.00
SEMINARS	2700.00	0.00	-2700.00
ROYALTY/REVENUE EXP NET	495899.72	225632.93	-270266.79
REIMBURSED COSTS	0.00	6774.86	6774.86
INTEREST INCOME	0.00	0.00	0.00
TOTAL REVENUE	1,801,576.12	1,165,579.69	-635,996.43





INPUT GERMANY  
PROFIT & LOSS STATEMENT  
'12-31-97

ACCOUNT	DESCRIPTION	BOOK BAL 12-31-96 DM	BOOK BAL 12-31-97 DM	VARIANCE DM
5010/5990	REVENUE	1,801,576	1,165,580	(635,996)
EXPENSES				
900	RESEARCH-OUTSIDE CONSULTANTS	128,906	115229	-13678
901	EXECUTIVE ADMINISTRATION	161,264	81391	-79873
902	RESEARCH	138,235	57131	-81104
904	SALES	78,353	129647	51294
906	GENERAL ADMINISTRATION	64,151	65116	965
910	SALES COMMISSION	31,602	50483	18881
911	BONUS/PROFIT SHARING	135,600	12850	-122750
922	MEDICAL/LIFE INSURANCE	(2,222)	0	2222
923	PAYROLL TAXES	245,420	181657	-63763
945	SUPPLIES	13,011	9699	-3312
946	POSTAGE	18,793	13717	-5075
947	PRINTING	16,616	25750	9134
949	DUES/SUBSCRIPTIONS	435	0	-435
954	EQUIPMENT LEASE	0	0	0
955	EQUIPMENT MAINTENANCE	2,982	2891	-91
956	EQUIPMENT DEPRECIATION	10,053	7204	-2849
957	BUILDING RENT	48,000	48000	0
958	BUILDING MAINTENANCE	(496)	0	496
962	TELEPHONE	67,369	56554	-10815
965	CONFERENCE/TRADE SHOWS	2,339	15740	13401
967	BROCHURES/LITERATURE/ADVERT.	19,215	10433	-8782
970	LEGAL	0	10019	10019
971	ACCOUNTING	39,971	41388	1417
972	OTHER SERVICES	790	1702	912
978	TRAVEL/LODGING/ENTERTAINMENT	177,774	91338	-86436
984	TRAINING	2,900	1220	-1680
987	CURRENCY GAIN OR LOSS	34,460	11927	-22533
988	INSURANCE CORPORATE	0	1132	1132
989	KEY MAN INSURANCE	0	-73	-73
991	TAXES-NON INCOME	1,680	10095	8415
992	INTEREST	(92)	-305	-213
993	MISCELLANEOUS	32,660	20890	-11771
995	CENTRAL FINANCE	27,996	25320	-2676
996	EXECUTIVE CHARGE	0	9844	9844
997	CORPORATE	52,746	84480	31734
998	PROVISION FOR INCOME TAX	22,400	22433	33
	TOTAL EXPENSES	1,572,911	1214900	-358010
	PROFIT(LOSS) BEFORE TAXES	228,666	-49321	-277986



INPUT GERMANY  
TRIAL BALANCE  
12-31-97

=====	=====	=====	=====	=====	=====
ASSETS	DESCRIPTION		BOOK BAL 12-31-96	BOOK BAL 12-31-97	
	DEUTSCH MARKS		DM	DM	
=====	=====	=====	=====	=====	=====
	CASH		165,507.13	183,009.75	
	ACCTS. RECEIVABLES		447,928.71	123,826.09	
	UNBILLED RECEIVABLES			40,900.00	
	MISCELLANEOUS RECEIVABLES			9.44	
	PREPAID EXPENSES		17,334.00	4,200.00	
			-----	-----	
	TOTAL CURRENT ASSETS		630,769.84	351,945.28	
	PROPERTY & EQUIP		31,246.08	32,339.34	
	LESS ACCUM DEPR		(4,522.29)	(11,726.23)	
	INTERCO RECEIVABLES		0.00	483,517.98	
	DEPOSITS		0.00	0.00	
			-----	-----	
	TOTAL ASSETS		657,493.63	856,076.37	
			=====	=====	



INPUT - GERMANY  
TRAIL BALANCE  
12-31-97

LIABILITIES	BOOK BAL	BOOK BAL
DESCRIPTION	'12-31-96	'12-31-97
	DM	DM
INTERCOMPANY PAYABLES	22,407.65	24,180.87
ACCOUNTS PAYABLE	34873.52	19676.50
PAYROLL TAX	149,264.33	271017.83
ACC SALES & P.R TAX	28,245.27	12839.32
MISC ACC EXPENSES	3,309.73	18785.24
DEFERRED REVENUE	141,816.61	281320.70
TOTAL LIABILITIES	<u>379,917.11</u>	<u>627,820.46</u>
STOCKHOLDER EQUITY	50,000.00	50000.00
EQUITY INVESTMENT	32,865.00	32,865.00
RETAINED EARNINGS	(33,954.00)	194,711.52
PROFIT/LOSS 1996/1997	<u>228,665.52</u>	<u>-49320.61</u>
TOTAL LIABILITIES & EQUITY	<u>657,493.63</u>	<u>856,076.37</u>



**JAHRESABSCHLUSS**  
per 31. Dezember 1997

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der

**Input GmbH**  
Perchstätten 16, 35428 Langgöns

---

**HAAS & HAAS**  
WIRTSCHAFTSPRÜFER · STEUERBERATER · RECHTSANWÄLTE  
**GIESSEN**





Der Jahresabschluß zum 31.12.1997 der

Input GmbH

wurde von uns aufgrund der vorgelegten Unterlagen und Bestandsnachweise sowie der vom Unternehmen gemachten Angaben erstellt.

Eine Überprüfung der Unterlagen und Bestandsnachweise auf Vollständigkeit und Werthaltigkeit sowie eine Beurteilung der Auskünfte und Schriftstücke auf Übereinstimmung mit den tatsächlichen Verhältnissen haben wir, da nicht Gegenstand unseres Auftrages, nicht vorgenommen.

Gießen, den 5. März 1999



  
HAAS & HAAS  
Wirtschaftsprüfer  
Steuerberater  
Rechtsanwälte



## BILANZ

INPUT GmbH Giessen

zum  
31. Dezember 1997

PASSIVA

	DH	Geschäftsjahr DH	Vorjahr DH		DH	Geschäftsjahr DH	Vorjahr DH
Lagevermögen				A. Eigenkapital			
materialielle Vermögens- gegenstände				I. Gezeichnetes Kapital		50.000,00	50.000,00
Quotenanteile, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Anteile an solchen Rechten und Werten		362,00	507,00	II. Gewinnvortrag		74.939,42	309.977,03-
Forderungen aus Lieferungen und Leistungen				III. Jahresfehlbetrag		30.002,92-	384.916,45
andere Anlagen, Betriebs- und Geschäftsausstattung		34.197,00	44.615,00	B. Rückstellungen			
Umlaufvermögen				1. Steuerrückstellungen		57.856,00	57.856,00
Forderungen und sonstige Vermögensgegenstände				2. sonstige Rückstellungen		<u>32.500,00</u>	30.200,00
Bestellungen aus Lieferungen und Leistungen	123.826,09		404.478,71	C. Verbindlichkeiten			
Bestellungen gegen verbundene Unternehmen	114.817,74		7.662,46	1. Verbindlichkeiten aus Lieferungen und Leistungen	0,00		51.997,09
sonstige Vermögensgegenstände	77.869,03		2.726,22	2. Verbindlichkeiten gegenüber verbundenen Unternehmen		52.471,21	48.986,29
				3. sonstige Verbindlichkeiten		36.907,15	96.458,84
				4. Umsatzaufwandsverbindlichkeit		<u>9.447,28</u>	0,00
	316.512,86	34.569,00	459.989,39	D. Rechnungsabgrenzungsposten		249.826,49	223.531,33
Übergang				Übergang			
						533.944,63	632.968,97



BILANZ  
INPUT GmbH Glessen

zum  
31. Dezember 1997

PASSIVA

	DM	Geschäftsjahr DM	Vorjahr DM		DM	Geschäftsjahr DM	Vorjahr DM
g	316.512,86	34.559,00	459.989,39	Übertrag	533.944,63	632.968,97	
Einsetzungsforderungen	<u>0,00</u>	316.512,86	1.139,16				
Geldguthaben							
Geldguthaben bei Kreditinstituten	677,00		1.316,66				
Geldguthaben bei Kreditinstituten	<u>182.195,77</u>	182.872,77	164.189,48				
Abgrenzungskosten		0,00	6.334,28				
		<u>533.944,63</u>	<u>632.968,97</u>		<u>533.944,63</u>	<u>632.968,97</u>	



## GEWINN- UND VERLUSTRECHNUNG vom 01.01.1997 bis 31.12.1997

## INPUT G&amp;H Giessen

	DM	Geschäftsjahr DM	%	Vorjahr DM
1. Umsatzerlöse		1.450.171,22	100,00	2.237.780,85
2. sonstige betriebliche Erträge		5.304,85	0,37	3.300,82
3. Materialaufwand				
a) Aufwendungen für bezogene Leistungen		512.052,96	35,31	504.960,99
4. Personalaufwand				
a) Löhne und Gehälter	376.315,41			625.270,87
b) soziale Abgaben und Aufwendungen für Altersversorgung und Unterstützung	<u>69.324,34</u>	445.639,75	30,73	94.990,24
5. Abschreibungen				
a) auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen		12.056,76	0,83	14.333,79
6. sonstige betriebliche Aufwendungen		544.227,16	37,53	526.553,15
7. sonstige Zinsen und ähnliche Erträge		413,68	0,03	627,02
8. Zinsen und ähnliche Aufwendungen		<u>32,04</u>	0,00	<u>477,20</u>
9. Ergebnis der gewöhnlichen Geschäftstätigkeit		58.118,92	4,01	475.102,45
10. Steuern vom Einkommen, Ertrag und Vermögen		<u>28.116,00</u>	1,94	<u>90.186,00</u>
11. Jahresfehlbetrag		<u>30.002,92</u>	2,07	<u>384.916,45</u>





## KONTENABWEIS zur Bilanz zum 31.12.1997

INPUT GmbH Giessen

## AKTIVA

Konto	Bezeichnung	DM	Geschäftsjahr DM	Vorjahr DM
	Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten			
0027	SOFTWARE		362,00	507,00
	andere Anlagen, Betriebs- und Geschäftsausstattung			
0410	OFFICE EQUIPMENT	32.784,00		43.769,00
0420	OFFICE EQUIPMENT	1.413,00		846,00
0480	LOW VALUE ASSETS UP TO DM 800	<u>0,00</u>	34.197,00	0,00
	Forderungen aus Lieferungen und Leistungen			
1400	ACCOUNTS RECEIVABLE - TRADE		123.826,09	404.478,71
	Forderungen gegen verbundene Unternehmen			
1594	INTER CO. US	9.974,39		0,00
1595	INTER CO. UK	104.843,35		0,00
1630	INTER CO. PAYABLES US	<u>0,00</u>	114.817,74	7.662,46
	sonstige Vermögensgegenstände			
1360	GELDTRENNUNG/CLEARING ACCOUNT	0,00		2.056,78
1530	ACCOUNTS RECEIVABLE	11.397,23		0,00
1540	TAX CLAIM	66.471,80		0,00
1792	ACCOUNTS PAYABLE	<u>0,00</u>	77.869,03	669,44
	Umsatzsteuerforderung			
1570	VAT RECEIVABLE	0,00		11.250,14
1571	VAT RECEIVABLE 7 %	0,00		86,70
1576	VAT RECEIVABLE 15 %	0,00		52.371,57
1776	SALES/VALUE ADDED TAX	0,00		285.667,02
1780	UST VORAUSZ/ADVANCE PAYM. TURNOVER TAX	0,00		221.539,67
1791	UMSATZSTEUER FRÜHERE JAHRE	<u>0,00</u>	0,00	1.559,10
	Kassenbestand, Bundesbank- und Postguthaben			
1000	PETTY CASH		677,00	1.316,66
	Guthaben bei Kreditinstituten			
1200	VOLKSBANK GIESSEN AG, # 155016.00		182.195,77	164.189,48
	Rechnungsabgrenzungsposten			
0980	PREPAID EXPENSES		<u>0,00</u>	<u>6.334,28</u>
	Summe Aktiva		<u>533.944,63</u>	<u>632.968,97</u>



KONTENABGRENZUNG zur Bilanz zum 31.12.1997

## INPUT GmbH Giessen

## PASSIVA

Konto	Bezeichnung	DM	Geschäftsjahr DM	Vorjahr DM
<b>Gezeichnetes Kapital</b>				
0800	CAPITAL STOCK		50.000,00	50.000,00
<b>Gewinnvortrag</b>				
0860	GEWINNVORTRAG VOR VERWENDUNG	74.939,42		0,00
0868	VERLUSTVORTRAG VOR VERWENDUNG	<u>0,00</u>	74.939,42	309.977,03
<b>Jahresfehlbetrag</b>				
0000	VERLUST		30.002,92	384.916,45
<b>Steuerrückstellungen</b>				
0957	GEHST-RÜCKSTELLUNG/ACCURAL TRADE TAX	11.715,00		11.715,00
0963	KST-RÜCKSTELLUNG/ACCURAL INCOME TAX	<u>46.141,00</u>	57.856,00	46.141,00
<b>sonstige Rückstellungen</b>				
0970	SONSTIGE RÜCKSTELLUNGEN/ACCURAL	0,00		7.700,00
0974	ACCURED MISCELLANEOUS	7.500,00		7.500,00
0977	RÜCKSTELLUNGEN FÜR ABSCHLUSS/ACCURAL	<u>25.000,00</u>	32.500,00	15.000,00
<b>Verbindlichkeiten aus Lieferungen und Leistungen</b>				
1600	ACCOUNTS PAYABLE		0,00	51.997,09
<b>Verbindlichkeiten gegenüber verbundenen Unternehmen</b>				
1631	INTER CO. UK	0,00		43.152,54
1632	INTER CO. FRANCE	<u>52.471,21</u>	52.471,21	5.833,75
<b>sonstige Verbindlichkeiten</b>				
1400	ACCOUNTS RECEIVABLE - TRADE	0,00		34.960,00
1736	VERBINDL. BETRIEBSSTEUERN UND -ABGABEN	0,00		6.111,80
1740	ACCOUNTS PAYABLE SALARIES	22.912,25		32.326,60
1741	ACCOUNTS PAYABLE WAGE TAX	3.132,38		9.478,28
1742	ACCOUNTS PAYABLE SOCIAL SECURITY	10.584,52		12.582,16
1746	VERBINDLICHKEITEN AUS EINBEHALTUNGEN	200,00		0,00
1750	ACCOUNTS PAYABLE VAL	<u>78,00</u>	36.907,15	0,00
<b>Umsatzsteuerverbindlichkeit</b>				
1570	VAT RECEIVABLE	1.317,75		0,00
1571	VAT RECEIVABLE 7 %	176,75		0,00
1576	VAT RECEIVABLE 15 %	31.148,43		0,00
1776	SALES/VALUE ADDED TAX	191.063,81		0,00
1780	UST.VORAUZ/ADVANCE PAYM. TURNOVER TAX	149.393,54		0,00
1790	UMSATZSTEUER VORJAHR	<u>419,94</u>	9.447,28	0,00
<b>Rechnungsabgrenzungsposten</b>				
0990	DEFERRED INCOME 15%		249.826,49	223.531,33
<b>Summe Passiva</b>			<u>533.944,63</u>	<u>632.968,97</u>



KONTENNACHWEIS zur G.u.V. vom 01.01.1997 bis 31.12.1997

## INPUT GmbH Giessen

Konto	Bezeichnung	DM	Geschäftsjahr DM	Vorjahr DM
	<b>Umsatzerlöse</b>			
8000	PROGRAM REVENUE FREE	207.949,32		302.748,00
8003	REPORTS/COPIES FREE	0,00		42.279,25
8005	PROGRAM REVENUE 1995 / 1996	223.531,33		212.268,60
8400	PROGRAM REVENUE 15%	984.240,57		1.512.490,39
8403	REPORTS/COPIES 15%	34.450,00		168.083,48
8720	ERLÖSSCHÄLTERUNGEN 15% UST	0,00		88,26
8736	GEWÄHRTE SKONTI 15% UST	<u>0,00</u>	1.450.171,22	0,61
	<b>sonstige betriebliche Erträge</b>			
2660	ERTRÄGE AUS KURSDIFFERENZEN	0,00		2.870,36
2709	SONSTIGE ERTRÄGE	63,20		430,46
8611	VERRECHN. SONSTIGE SACHBEZÜGE 15% UST	<u>5.241,66</u>	5.304,85	0,00
	<b>Aufwendungen für bezogene Leistungen</b>			
3150	LEISTUNGEN AUSLÄNDISCHER UNTERNEHMEN		512.052,96	504.980,99
	<b>Löhne und Gehälter</b>			
4120	PAYROLL ADMIN.	64.359,91		73.442,57
4121	PAYROLL SALE	295.200,25		527.990,63
4190	PART-TIME WAGES	<u>16.755,25</u>	376.315,41	23.837,67
	<b>soziale Abgaben und Aufwendungen für Altersversorgung und Unterstützung</b>			
4130	SOCIAL SECURITY CONTR. ADMIN.	19.361,81		23.943,81
4131	SOCIAL SECURITY CONTR. SALE	46.047,97		68.205,07
4138	BEITRÄGE ZUR BERUFSGESAMENSCHAFT	3.155,52		2.479,31
4140	FREIWILLIGE SOZIALE AUFWENDUNG, LST-FREI	<u>759,04</u>	69.324,34	362,05
	<b>Abschreibungen</b>			
	<b>auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen</b>			
4822	ABSCHREIBUNG IMMAT. VERM./DEPRECIATION	145,00		145,00
4830	ABSCHREIBUNGEN AUF SACHANL./DEPRECIATION	11.270,17		10.819,79
4865	IMMEDIATE DEPR. OF LOW VALUE ASSETS	<u>641,59</u>	12.056,76	3.369,00
	<b>sonstige betriebliche Aufwendungen</b>			
2150	EXWANGE LOSSES	721,30		1.414,05
2381	BEITR./SPENDEN WISSENSCH./KULT. ZWECHE	0,00		1.700,00
4210	BUILDING RENT	40.966,95		40.887,32
4240	GAS, ELECTRICITY, WATER	1.901,94		1.351,87
4250	REINIGUNG	113,75		40,88
4360	INSURANCE CORPORATE	1.801,78		1.451,02
4380	CONTRIBUTIONS	735,82		374,00
4396	ABZUGSF. VERSPÄTUNGZUSCHLAG/ZWANGSGELD	<u>0,00</u>		28,00
Übertrag		46.241,54	485.726,60	954.258,64



KONTENNACHWEIS zur G.u.V. von 01.01.1997 bis 31.12.1997

## INPUT GmbH Giessen

Konto	Bezeichnung	DM	Geschäftsjahr DM	Vorjahr DM
	Übertrag	46.241,54	485.726,60	954.258,64
	sonstige betriebliche Aufwendungen			
4397	NICHT ABZF. VERSPÄT. ZUSCHLAG/ZWANGSGELO	0,00		292,31
4530	LAUFENDE KFZ-BETRIEBSKOSTEN	7.832,78		11.608,69
4540	KFZ-REPARATUREN	0,00		76,80
4570	AUTOMOBILE REPAIRS	26.503,74		12.736,72
4580	SONS. KFZ-KOSTEN/AUTOMOBILE EXPENSES	50,00		156,52
4610	WERBEEKOSTEN	284,35		4.045,47
4640	REPRÄSENTATIONSKOSTEN	977,03		2.142,43
4650	ENTERTAINMENT ADMIN.	16.726,64		904,66
4661	TRAVEL/LODGING SALE	27.745,36		52.522,26
4662	TRAVEL/LODGING RESEARCH	2.488,61		1.480,82
4667	REISEKOSTEN 9.BK AN GESAMTPAUSCHALIERUNG	10.923,94		79.045,66
4730	FREIGHT-OUT	2.688,74		2.664,70
4780	FREMDARBEITEN	0,00		7.478,64
4805	REPAIRS OFFICE EQUIPMENT	2.472,60		1.906,63
4900	SONSTIGE BETRIEBLICHE AUFWENDUNGEN	3.226,44		0,00
4910	POSTAGE	12.596,80		25.265,50
4920	TELEPHONE	41.420,44		58.840,54
4930	OFFICE SUPPLIES	30.274,00		38.258,65
4940	BROCHURES/LITERATURE/ADVERT.	3.429,91		3.895,28
4945	SEMINAR	6.827,69		11.761,70
4948	FREMDLEISTUNGEN	75.578,23		30.522,68
4950	LEGAL	14.482,90		99.059,64
4955	ACCOUNTING	8.355,86		22.154,57
4957	ABSCHLUSS- UND PRÜFUNGSKOSTEN	27.057,00		10.000,00
4970	BANK CHARGES	609,11		2.069,95
4972	CORPORATE CHARGE/FINANCE CHARGE	172.265,11		0,00
4980	BETRIEBSEBENDE	<u>3.168,34</u>	544.227,16	415,19
	sonstige Zinsen und ähnliche Erträge			
2650	INTEREST INCOME		413,68	627,02
	Zinsen und ähnliche Aufwendungen			
2104	NICHT ABZUGSFÄH. UND NEBENLEIST. Z. STEUERN	0,00		477,00
2110	ZINSAUFWENDUNGEN F. KFR. VERBUNDLICHKEIT.	<u>32,04</u>	32,04	0,20
	Steuern vom Einkommen, Ertrag und Vermögen			
2200	KÖRPERSCHAFTSSTEUER	26.154,00-		65.322,00
2208	SOLIDARITÄT/ZUSCHLAG	1.962,00-		4.899,00
4320	GEWERBESTEUER	<u>0,00</u>	<u>28.116,00-</u>	<u>19.965,00</u>
	Jahresfehlbetrag			
0000	VERLUST		<u>30.002,92</u>	<u>384.916,45-</u>





KONTOKORREKT zum 31.12.1997

INPUT GmbH Giessen

DEBITORENAUFSTELLUNG

Debitoren mit Soll-Saldo

Konto	Bezeichnung	DM	Geschäftsjahr DM	Vorjahr DM
10002	ALLDATA HOLDING GMBH	0,00		46.000,00
10200	BULL AG, KÖLN	0,00		53.820,00
10340	CA COMPUTER ASSOCIATES GMBH	0,00		10.925,00
10345	CSC PLOENZKE AG	0,00		10.235,00
10346	CSC PLOENZKE SCHWEIZ AG	0,00		5.000,00
10350	C-DIVERSE	44.275,00		0,00
10400	COMPAQ COMPUTER EMEA GMBH, MÜNCHEN	0,00		10.925,00
10500	O-DIVERSE	40.911,09		0,00
10600	DIGITAL EQUIPMENT GMBH	0,00		17.400,00
10705	EDS AG /SCHWEIZ	0,00		17.400,00
11000	G-DIVERSE	0,00		5.635,00
11401	HEWLETT PACKARD GMBH, BÖBLINGEN	0,00		8.337,50
11500	I-DIVERSE	0,00		19.571,00
11600	IBM DEUTSCHLAND GMBH, STUTTGART	0,00		10.925,00
11900	J-N-DIVERSE	0,00		1.092,50
12000	KPMG UNTERNEHMUNGSBERATUNG GMBH	0,00		10.925,00
12700	O-R-DIVERSE	0,00		6.785,71
13500	S-DIVERSE	24.955,00		40.040,00
13603	SIEMENS NIXDORF AG	13.685,00		18.400,00
13605	SOFTLAB GMBH, MÜNCHEN	0,00		10.925,00
13606	SUN MICROSYSTEMS GMBH, GRASBRUNN	0,00		28.750,00
13700	TELEKOM	0,00		47.127,00
14000	U-Z-DIVERSE	0,00		24.260,00
			123.826,09	
			<u>123.826,09</u>	<u>404.478,71</u>



KONTOKORREKT zum 31.12.1997

INPUT GmbH Giessen

DEBITORENAUFSTELLUNG

Debitoren mit Haben-Saldo

Konto	Bezeichnung	DM	Geschäftsjahr DM	Vorjahr DM
10350	C-DIVERSE		0,00	34.960,00
			<u>0,00</u>	<u>34.960,00</u>



KONTOKORREKT zum 31.12.1997

INPUT GmbH Giessen

KREDITORENAUFSTELLUNG

Kreditoren mit Haben-Saldo

Konto	Bezeichnung	DM	Geschäftsjahr DM	Vorjahr DM
70202	BRILL RAINER - VERMIETUNG	0,00		3.985,04
70203	DR. BREZSKI, EBERHARD	0,00		5.911,88
70204	BUNDESAMT FÜR STAT. BERN, SCHWEIZ	0,00		35,90
70205	BERUFSGENOSSENSCHAFT	0,00		1.319,19
70303	COMPUTERWOCHE VERLAG GMBH	0,00		292,99
70801	EURO LLOYD REISEBÜRO	0,00		2.463,40
70804	ERNST & LEMMER GMBH	0,00		6.424,24
71000	FREEMAN NETSERVER GMBH	0,00		1.996,40
71250	G-DIVERSE	0,00		90,00
71300	H-DIVERSE	0,00		4.412,14
71350	HAAS & HAAS	0,00		16.170,25
71500	HOTELS DIVERSE	0,00		492,30
73001	PRO OFFICE - HEUCHELHEIM	0,00		480,91
73400	S-DIVERSE	0,00		6.511,86
73600	STAFADRUCK GMBH, HÜTTENBERG	<u>0,00</u>	0,00	1.410,59
			<u>0,00</u>	<u>51.997,09</u>



Entwicklung des Anlagevermögens vom 01.01.1997 bis 31.12.1997

Blatt 1

Konto	Bezeichnung	Entwicklung der	Stand zum 01.01.1997 DM	Zugang Abgang- DM	Umbuchung DM	Abschreibung Zuschreibung- DM	Stand zum 31.12.1997 DM
0027	EDV-Software	Ansch-/Herst-K Abschreibung Buchwerte	725,00 218,00 507,00	145,00		145,00	725,00 363,00 362,00
0410	Geschäftsaus- stattung	Ansch-/Herst-K Abschreibung Buchwerte	56.509,84 12.740,84 43.769,00	10.985,00		10.985,00	56.509,84 23.725,84 32.784,00
0420	Büroeinrichtung	Ansch-/Herst-K Abschreibung Buchwerte	1.209,87 363,87 846,00	852,17 285,17 852,17		285,17	2.062,04 649,04 1.413,00
Summe		Ansch-/Herst-K Abschreibung Buchwerte	58.444,71 13.322,71 45.122,00	852,17 11.415,17 852,17		11.415,17	59.296,88 24.737,88 34.559,00





Entwicklung des Anlagevermögens vom 01.01.1997 bis 31.12.1997

Blatt 2

Konto Inventar	Bezeichnung Inventarbezeichnung	Datum AfA-Art NO	Entw. der %	Stand zum 01.01.1997 DM	Zugang Abgang- DM	Umbuchung DM	Abschreibung Zuschreibung- DM	Stand zum 31.12.1997 DM
0027	EDV-Software							
27001	Microsoft Office Standard	01.07.1995 linear 05/00	AfK Absch 20,00 BW	725,00 218,00 507,00	145,00		145,00	725,00 363,00 362,00
Summe	EDV-Software		AfK Absch BW	725,00 218,00 507,00	145,00		145,00	725,00 363,00 362,00



Konto Inventar	Bezeichnung Inventarbezeichnung	Datum AFA-Art ND	Entw. der %	Stand zum 01.01.1997 DM	Zugang Abgang- DM	Umbuchung DM	Abschreibung Zuschreibung- DM	Stand zum 31.12.1997 DM
0410	Geschäftsaus- stattung							
410001	PC Acrobat 1486DX2-66	01.07.1995 linear 05/00	AHK Absch 20,00 BW	4.146,09 1.244,09 2.902,00	829,00		829,00	4.146,09 2.073,09 2.073,00
410002	Folienschweißgerät	01.07.1995 linear 05/00	AHK Absch 20,00 BW	595,00 179,00 416,00	119,00		119,00	595,00 298,00 297,00
410003	Toshiba Fax TF 341	01.07.1995 linear 05/00	AHK Absch 20,00 BW	990,00 297,00 693,00	198,00		198,00	990,00 495,00 495,00
410004	PC Acrobat Desktop 1486DX2-66	01.07.1995 linear 05/00	AHK Absch 20,00 BW	4.347,83 1.305,83 3.042,00	870,00		870,00	4.347,83 2.175,83 2.172,00
410005	PC Acrobat 1486DX2-66	01.07.1995 linear 05/00	AHK Absch 20,00 BW	5.215,65 1.565,65 3.650,00	1.043,00		1.043,00	5.215,65 2.608,65 2.607,00
410006	PC Acrobat 1486DX2-66	01.09.1995 linear 05/00	AHK Absch 20,00 BW	3.801,48 1.140,48 2.661,00	760,00		760,00	3.801,48 1.900,48 1.901,00
410007	PC Acrobat Toptower Pentium P5 -90-PC	31.12.1995 linear 05/00	AHK Absch 20,00 BW	5.000,00 1.250,00 3.750,00	1.000,00		1.000,00	5.000,00 2.250,00 2.750,00
410008	Acrobat Toptower Pentium P5-90 PCI	05.01.1996 linear 05/00	AHK Absch 20,00 BW	5.000,00 1.000,00 4.000,00	1.000,00		1.000,00	5.000,00 2.000,00 3.000,00
410009	Gehr. Notebook AST Explorer DX 4/1	01.02.1996 linear 05/00	AHK Absch 20,00 BW	3.667,00 733,00 2.934,00	733,00		733,00	3.667,00 1.466,00 2.201,00
410010	Notebook AcerNote 760 ic/80486 014-75MHz	20.03.1996 linear 05/00	AHK Absch 20,00 BW	3.853,60 771,60 3.082,00	771,00		771,00	3.853,60 1.542,60 2.311,00
410011	Notebook 8600 OSTN P100	15.05.1996 linear 05/00	AHK Absch 20,00 BW	4.553,04 911,04 3.642,00	911,00		911,00	4.553,04 1.822,04 2.731,00
410012	Tintenstrahldrucker Canon BJC- 610	15.05.1996 linear 05/00	AHK Absch 20,00 BW	881,00 176,00 705,00	176,00		176,00	881,00 352,00 529,00
410013	Schreibtisch Esche Schwarz-Buc he	23.05.1996 linear 10/00	AHK Absch 10,00 BW	1.168,70 117,70 1.051,00	117,00		117,00	1.168,70 234,70 934,00
410014	Fotokopierer X50471 Rank Xerox	14.05.1996 linear 05/00	AHK Absch 20,00 BW	8.200,00 1.640,00 6.560,00	1.640,00		1.640,00	8.200,00 3.280,00 4.920,00
410015	Laserdrucker HP LaserJet 5 P	20.07.1996 linear 05/00	AHK Absch 20,00 BW	1.927,00 193,00 1.734,00	385,00		385,00	1.927,00 578,00 1.349,00
410016	Konferenztisch u. 6 Stühle	02.09.1996 linear 10/00	AHK Absch 10,00 BW	2.000,00 100,00 1.900,00	200,00		200,00	2.000,00 300,00 1.700,00
410017	Toshiba Fax TF-461	04.11.1996 linear 05/00	AHK Absch 20,00 BW	1.163,45 116,45 1.047,00	233,00		233,00	1.163,45 349,45 814,00



Entwicklung des Anlagevermögens vom 01.01.1997 bis 31.12.1997

Blatt 4

Konto Inventar	Bezeichnung Inventarbezeichnung	Datum AfA-Art NO	Entw. der %	Stand zum 01.01.1997 DM	Zugang Abgang- DM	Umbuchung DM	Abschreibung Zuschreibung- DM	Stand zum 31.12.1997 DM
0410	Geschäftsaus- stattung							
Summe	Geschäftsaus- stattung		AKK	56.509,84				56.509,84
			Absch	12.740,84	10.985,00			23.725,84
			EW	43.769,00			10.985,00	32.784,00



Entwicklung des Anlagevermögens vom 01.01.1997 bis 31.12.1997

Konto Inventar	Bezeichnung Inventarbezeichnung	Datum AfA-Art NO	Entw. der %	Stand zum 01.01.1997 DM	Zugang Abgang- DM	Umbuchung DM	Abschreibung Zuschreibung- DM	Stand zum 31.12.1997 DM
0420	Büroeinrichtung							
420001	Bürorehstuhl Cirsberger	01.07.1995 linear 05/00	AVK Absch 20,00 BW	520,87 156,87 364,00	104,00		104,00	520,87 250,87 260,00
420002	Bisley KR-Schrank	01.07.1995 linear 05/00	AVK Absch 20,00 BW	400,00 120,00 280,00	80,00		80,00	400,00 200,00 200,00
420003	Ratiodata Besprechungstisch	01.07.1995 linear 05/00	AVK Absch 20,00 BW	289,00 87,00 202,00	58,00		58,00	289,00 145,00 144,00
420004	1 Bild Matisse "Les Mille et une Nuits"	12.08.1997 linear 10/00	AVK Absch 10,00 BW		852,17 43,17 852,17		43,17	852,17 43,17 809,00
Summe	Büroeinrichtung		AVK Absch BW	1.209,87 353,87 846,00	852,17 285,17 852,17		285,17	2.062,04 649,04 1.413,00





## INPUT GmbH, LANGGÖNS

### AN H A N G zum 31. DEZEMBER 1997

#### 1. Allgemeine Angaben und Erläuterungen

Die Gesellschaft wurde mit notariellem Vertrag vom 13.06.1995 errichtet und am 9.10.1995 unter Nr. HRB 2709 beim Amtsgericht Gießen ins Handelsregister eingetragen.

Sie betreibt ihr Unternehmen in gemieteten Räumen in 35428 Langgöns, Perchstätten 16, wo sich auch der Geschäftssitz befindet.

Die Gesellschaft ist ein reines Dienstleistungsunternehmen.

Gegenstand des Unternehmens ist die Erstellung von Geschäfts-, Planungs- und Marketinginformationen. Daten und Analysen auf dem Gebiet der Computertechnik und die Vermarktung an kommerzielle und staatliche Nutzer im In- und Ausland.

Der Jahresabschluß der Firma INPUT GmbH mit Sitz in Langgöns wurde zum 31. Dezember 1997 nach den handelsrechtlichen Rechnungslegungsvorschriften erstellt.

Die INPUT GmbH ist eine kleine Kapitalgesellschaft im Sinne von § 267 HGB, da sämtliche Größenmerkmale die Grenzen für kleine Kapitalgesellschaften nicht überschreiten. Die Bilanzsumme der Unternehmung beträgt weniger als TDM 534. Die erwirtschafteten Umsatzerlöse betragen weniger als TDM 1.450. Die Unternehmung beschäftigte im Durchschnitt weniger als 10 Arbeitnehmer.



Die Gliederungsbestimmungen der §§ 266 und 275 Abs. 2 HGB haben unter Berücksichtigung der Erleichterungen für kleine Kapitalgesellschaften unverändert Anwendung gefunden.

2. Angaben und Erläuterungen zu den Posten der Bilanz sowie der Gewinn- und Verlustrechnung

2.1 Bilanzierungs- und Bewertungsmethoden

Der Jahresabschluß wurde auf der Grundlage der Bilanzierungs- und Bewertungsvorschriften des Handelsgesetzbuches erstellt.

Die Zugänge zum Anlagevermögen sind zu Anschaffungskosten bilanziert. Die abnutzbaren Vermögensgegenstände des Anlagevermögens werden generell linear im Rahmen der steuerlichen Zulässigkeitsgrenzen abgeschrieben. Von der Bewertungsfreiheit für geringwertige Wirtschaftsgüter nach § 6 Abs. 2 EStB wird Gebrauch gemacht.

2.2 Angaben zu den Posten der Bilanz

Die horizontale Entwicklung des Anlagevermögens zeigt der Anlagespiegel, der diesem Anhang als Anlage beigefügt ist.

Die im Umlaufvermögen ausgewiesenen Forderungen haben insgesamt eine erwartete Restlaufzeit von weniger als einem Jahr.

Die aktiven Rechnungsabgrenzungsposten bestehen im wesentlichen aus geleisteten Versicherungsbeiträgen.

Die passivierten Rückstellungen betreffen im wesentlichen mit TDM 25 Rückstellungen für Abschlußkosten, mit TDM 7,5 Rückstellungen für Gewährleistungsansprüche.



Die passivierten Verbindlichkeiten bestehen mit TDM 52 gegenüber verbundenen Unternehmen. Die Restlaufzeit dieser Verbindlichkeiten beträgt weniger als ein Jahr.

2.3 Angaben zu den Posten der Gewinn- und Verlustrechnung

Die Gewinn- und Verlustrechnung ist im Staffelform nach dem Gesamtkostenverfahren erstellt.

Für das Berichtsjahr ergibt sich ein Jahresfehlbetrag von TDM 30.

3. Ergänzende Angaben

Die Geschäftsführung der Gesellschaft wurde im Berichtsjahr von

Herrn Peter Allan Cunningham, Kalifornien

Frau Patricia Cunningham, Kalifornien

Herrn Peter Lines, Großbritannien

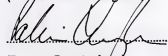
wahrgenommen.

Sämtliche Geschäftsanteile werden von dem Anteilseigner der Firma INPUT Corp.(USA) Mountain View, Kalifornien gehalten.

Langgöns, den March 30, 1999



(Peter Allan Cunningham)



(Patricia Cunningham)



INPUT GmbH, LANGGÖNS

Notes to the financial statements  
as at December 31, 1997

- free translation -

1. General Notes

The company has been founded with notarized contract dated October 10, 1995 and has been registered at the Trade Register (No. HRB 2709) at the local court in Gießen.

The company has its domicile in rented rooms in Germany, 35428 Langgöns, Perchstätten 16.

The company's purpose is rendering services, especially the collecting and making available of informations regarding marketing, planning and trading to commercial users in Germany and abroad.

The financial statements of the company, INPUT GmbH, Langgöns, as at December 31, 1997 have been prepared according to the regulations of the Commercial Code (Handelsgesetzbuch HGB).

The INPUT GmbH is a small company according to the limits of § 267 HGB. Total assets are below TDM 534. The turnover does not exceed TDM 1.450. The annual average of staff is below 10 persons.





The legislation regarding structure of the financial statements according §§ 266 and 267 HGB haben been noticed.

2. Notes to the Balance Sheet and the Profit and Loss Statement

2.1 Accounting and Valuation principles

The additions to the assets are valued at purchase prices. The depreciation on assets ist generally at a linear basic according to the German income tax law. Low priced assets (below DM 800,00) are depreciated immediately according to § 6 (2) of the German income tax law (EStG).

2.2 Notes to the balance sheet

Details of the assets are shown in the shedule "development of assets" (Anlagenspiegel) which is attached as an appendix to this notes.

The terms of the accounts receivables are due within one year.

Accrued liabilities have been balanced to an amount of TDM 7,5 for accrued miscellaneous and of TDM 2,5 for bookkeeping costs.

The liabilities to affiliated companies amounts at TDM 52. They are due within one year.

2.3 Notes to the profit and loss statement

The fiscal year 1997 ended with a loss of TDM 20 which is carryback to 1996.



2.4 Additional notes

The following "reistered managers" (Geschäftsführer) have been responsible for the company in 1997:

Herrn Peter Allan Cunningham, Kalifornien

Frau Patricia Cunningham, Kalifornien

Herrn Peter Lines, Great Britain

The only shareholder (parent) of the GmbH is the company INPUT Corp. Mountain View, California, USA.

Langgöns

(location)

(date)

.....  
(Peter Allan Cunningham)

.....  
(Patricia Cunningham)





the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.1 billion to 1.5 billion.

As the world's population grows, the demand for food and other resources will increase. This will put pressure on the environment and on the world's food supply.

One way to meet this demand is to increase the amount of food that is produced. This can be done by using more land for agriculture, or by increasing the productivity of the land that is already being used.

Another way to meet this demand is to reduce the amount of food that is wasted. This can be done by improving the way that food is stored and distributed, or by changing the way that people eat.

There are many ways to meet the world's growing demand for food and other resources. It is up to us to decide which way is best.

One of the most important things we can do is to make sure that we are using our resources wisely. This means that we need to be careful about how we use land, water, and other resources.

Another important thing we can do is to make sure that we are producing food in a way that is sustainable. This means that we need to make sure that our farming practices do not harm the environment.

Finally, we need to make sure that we are distributing food in a way that is fair. This means that we need to make sure that everyone has access to the food that they need.

There are many challenges ahead of us, but if we work together, we can meet the world's growing demand for food and other resources.

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## Profit/Loss in 1997

JAPAN

Title of Accounts	Total Sum in 1997
Sales 1	47,332,000
Sales 2	2,022,500
<b>Sales Total</b>	<b>49,354,500</b>
<b>Sales Cost</b>	<b>25,936,000</b>
<b>Gross Profit</b>	<b>23,418,500</b>
Salaries	13,765,155
Payroll Tax	2,226,880
Commission	2,563,181
Postage	464,803
Travel	3,970,675
Telephone	839,379
Taxes	76,600
Supplies	392,789
Recruiting	283,500
Building Maintenance	18,902
Other Services	3,425,464
Building Rent	2,584,726
Equipment Lease	730,080
Accounting Service	676,000
Dues/Subscriptions	100,296
Legal Service	435,607
Printing	141,336
Education/Training	219,120
Seminars	679,205
Outside Consultant	1,024,767
Miscellaneous	461,465
Central/Corp. Charges	4,113,525
Other Intercompany Charges	2,457,911
<b>Selling &amp; Adm. Expenses</b>	<b>41,651,366</b>
<b>Operating Profit/Loss</b>	<b>(18,232,866)</b>
Interest received	2,480
Miscellaneous Income	1,596,650
Currency Gain	26,745
Intercompany Adjustment	459,425
<b>Profit Out of Operation</b>	<b>2,085,300</b>
Currency Loss	(85,854)
<b>Profit/Loss in Current Term</b>	<b>(16,233,420)</b>
<b>Profit/Loss brought forward from the Previous Term</b>	<b>(60,278,877)</b>
<b>Undisposed Profit/Loss</b>	<b>(76,512,297)</b>

See below for Note #1

See below for Note #2

## Note #1:

Central/Corp.Charges paid in 1997

4,983,774

Adjustment - See Intercompany Inv.

(870,249)

# INTCO1297

TOTAL

4,113,525

NOTE #2: See intercompany inv. # INTCO1297

Currency Adjustment from Beg Bal

1,858,129

Postage

305,232

Currency Adjustment

294,550

TOTAL

2,457,911





**Balance Sheet as of 12/31/97****JAPAN**

<b>Title of Accounts</b>	<b>Balance in 1997</b>
Cash	93,450
Current Account	3,464,384
Ordinary Account	1,759,404
<b>Total of Cash and Account</b>	<b>5,317,238</b>
Accounts Receivable	6,241,200
Prepaid Expenses	189,633
<b>Floating Assets</b>	<b>11,748,071</b>
Office Equipment	75,598
<b>Tangible Assets</b>	<b>75,598</b>
<b>Total Assets</b>	<b>11,823,669</b>
Accounts Payable	76,649,801
Income Tax Due	944,330
Consumption Tax Payable	378,100
Accrued Expenses Payable	363,735
<b>Floating Liabilities</b>	<b>78,335,966</b>
Capital	10,000,000
Undisposed Loss	60,278,877
<b>Profit/Loss in 1997</b>	<b>(16,233,420)</b>
<b>Total Capital</b>	<b>(66,512,297)</b>
<b>Total of Liabilities and Capital</b>	<b>11,823,669</b>

See below for Note

**Note:**

Accounts Payable @ 12/31/97	75,062,139
Adjustments - See Intercompany Inv.	1,587,662
# INTCO1297	
<b>TOTAL</b>	<b>76,649,801</b>



**INPUT**

1881 Landings Drive  
Mountain View, CA 94043-0848  
Tel. (650) 961-3300  
Fax (650) 961-3966  
[www.input.com](http://www.input.com)

June 10, 1998

To: Yoshiko for INPUT, KK

From: Sheila Collins

Attached are the final reports for 1997. Please forward them to your accountants.

Please call if you have any questions.

Best regards,

*for Sheila Collins* 

cc: PEC



INPUT -JAPAN  
TRIAL BALANCE  
12-31-97

	DESCRIPTION	BOOK BAL 12-31-96 YEN	BOOK BAL 12-31-97 YEN
YEN			
=====	=====	=====	=====
ASSETS			
	CASH	4,263,557.00	5,317,238.00
	ACCTS. RECEIVABLE	9,748,435.00	6,241,200.00
	PREPAID EXPENSES	199,353.00	189,633.00
	FIXED ASSETS	75,598.00	75,598.00
	<b>TOTAL ASSETS</b>	<b>14,286,943.00</b>	<b>11,823,669.00</b>
		=====	=====
LIABILITIES			
	ACCOUNTS PAYABLE	482,329.00	944,331.00
	INTERCOMPANY PAYABLES	62,088,557.21	76,649,801.38
	TAXES PAYABLE	1,994,936.00	741,835.00
	<b>TOTAL CURRENT LIABILITIES</b>	<b>64,565,822.21</b>	<b>78,335,967.38</b>
		-----	-----
EQUITY			
	EQUITY INVESTMENT	10,000,000.00	10,000,000.00
	ACCUMULATED DEFICIT	(60,278,879.21)	(76,512,298.38)
	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>14,286,943.00</b>	<b>11,823,669.00</b>
		=====	=====



# INTER COMPANY INVOICE

## INPUT

1881 Landing Drive  
Mountain View  
CA 94043-0848

To:  
INPUT JAPAN  
CURRENCY: YEN

DATE: 12/31/97  
FROM: INPUT  
INVOICE # INTCO1297

---

CURRENCY Adjustment from Beg Bal  
Postage  
Currency adjustment  
Adjust Corporate/Central

INVOICE  
AMOUNT  
YEN  
1,858,129.00  
305,231.17  
294,550.00  
(870,249.00)

TOTAL AMOUNT DUE:

1,587,661.17





japan - interco balances		1997		
		yen		
Balance 12/31/96		62,088,557		
Cost of Products sold				
Quarter 1				
Quarter 2				
Quarter 3				
Quarter 4	Year	25,936,000		
Corporate Charge				
Quarter 1				
Quarter 2				
Quarter 3				
Quarter 4	Year - Preliminary	3,559,887		
Central Charge				
Quarter 1				
Quarter 2				
Quarter 3				
Quarter 4	Year - Preliminary	1,423,887		
Cash Transfers		0		
Quarter 1				
Quarter 2				
Quarter 3				
Quarter 4	Year	(17,946,192)		
Total year		75,062,139		
Total per Japan Books		75,062,139		
Currency adjustment from Beg Bal		1,858,129		
Inter co from US				
Equipment		-		
Postage		305,231		
Travel		-		
Printing		-		
Currency adjustment		294,550		
Adjust Corp/Central Charge		(870,249)		
Final Total		76,649,800		



Date 06/09/98 12:19pm  
05-98-293

INPUT - JAPAN  
Trial Balance - Combined Totals  
Periods: 12-97 As of: 06/09/98

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Account	Subaccount	Description	Beginning Balance	Current Debit	Period Credit	Ending Balance	Adjustment	Adjustment Balance
106	000000	Operating Accounts	-741545.00	6058783.00	0.00	5317238.00		
141	000000	Accounts Receivable -Trade	-666654.00	6907854.00	0.00	6241200.00		
144	000000	Unbilled Accounts Receivable	550000.00	0.00	550000.00	0.00		
163	000000	Prepaid Expenses	199353.00	0.00	9720.00	189633.00		
201	000000	Furniture & Fixtures	75598.00	0.00	0.00	75598.00		
** Total Assets			-583248.00	1296637.00	559720.00	11823669.00		
311	000000	Accounts Payable	-12830910.00	0.00	11370610.00	-1460300.00		
311	ADM	Accounts Payable	2404631.00	0.00	0.00	2404631.00		
321	000000	Inter Co. Payables US	70697146.18	0.00	5897084.80	76594230.98		
322	000000	Inter Co. Payables UK	6030965.40	2550205.00	0.00	3480760.40		
326	000000	Inter Co. Payables Corp	-3507360.00	0.00	82170.00	-3425190.00		
331	000000	Sales/Value Added Tax	2602264.00	2224164.00	0.00	378100.00		
361	000000	Accrued Miscellaneous	2015000.00	1651265.00	0.00	363735.00		
420	000000	Equity Investment	10000000.00	0.00	0.00	10000000.00		
430	000000	Prior Year Retained Earnings	-51629304.87	0.00	0.00	-51629304.87		
430	ACC	Prior Year Retained Earnings	-1867496.00	0.00	0.00	-1867496.00		
430	ADM	Prior Year Retained Earnings	-7840545.64	0.00	0.00	-7840545.64		
430	AFP	Prior Year Retained Earnings	-999996.00	0.00	0.00	-999996.00		
430	ICOS	Prior Year Retained Earnings	-40512991.00	0.00	0.00	-40512991.00		
430	ICRV	Prior Year Retained Earnings	72333100.00	0.00	0.00	72333100.00		
430	M&S	Prior Year Retained Earnings	-29761645.70	0.00	0.00	-29761645.70		
431	ACC	Current Year Retained Earnings	-3109040.00	82170.00	0.00	-3191210.00		
431	ADM	Current Year Retained Earnings	-8502258.00	0.00	4995582.00	-3506676.00		
431	AFP	Current Year Retained Earnings	-932690.00	0.00	10375.00	-922315.00		
431	ICOS	Current Year Retained Earnings	-23981500.00	1954500.00	0.00	-25936000.00		
431	ICRV	Current Year Retained Earnings	41693000.00	0.00	5139000.00	46832000.00		
431	M&S	Current Year Retained Earnings	-22883617.37	6625600.80	0.00	-29509218.17		
** Total Liabilities			-583248.00	15087904.80	27494821.80	11823669.00		
508	M&S	Conference/Seminars	500000.00	0.00	0.00	500000.00		
520	ICRV	Inter Co. Revenue	41693000.00	0.00	5139000.00	46832000.00		
530	ICOS	Inter Co. Sales Costs	-23981500.00	1954500.00	0.00	-25936000.00		
540	ADM	Reimbursed Costs	407500.00	0.00	1615000.00	2022500.00		
560	ADM	Interest Income	0.00	0.00	2480.00	2480.00		
570	ADM	Other Income	1155472.00	0.00	441178.00	1596650.00		
900	M&S	Research-Outside Consultants	1024767.00	0.00	0.00	1024767.00		
904	M&S	Sales	6400000.00	650000.00	0.00	7050000.00		
906	M&S	General & Administration	6215155.00	204987.00	0.00	6715155.00		
910	M&S	Sales Commission Incentive	2480339.00	204987.00	0.00	2688026.00		
923	M&S	Payroll Taxes	2074312.00	152568.00	0.00	2226880.00		
945	M&S	Supplies	358168.00	34621.00	0.00	392789.00		
946	M&S	Postage/Shipping	712136.37	57897.80	0.00	770034.17		
947	M&S	Printing	141336.00	0.00	0.00	141336.00		
949	M&S	Dues/Subscriptions	92611.00	7685.00	0.00	100296.00		
954	ADM	Equipment Lease	668964.00	0.00	0.00	668964.00		
955	ADM	Equipment Maintenance	1785.00	61116.00	0.00	62901.00		
957	ADM	Building Rent	2239636.00	345090.00	0.00	2584726.00		
958	ADM	Building Maintenance	16540.00	577.00	0.00	17117.00		
962	M&S	Telephone	765012.00	74367.00	0.00	839379.00		
965	M&S	Conference/Trade Shows	679205.00	0.00	0.00	679205.00		



Date 06/09/98 12:19pm  
05-98-293

INPUT - JAPAN  
Trial Balance - Combined Totals  
Periods: 12-97 As of: 06/09/98

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Account	Subaccount	Description	Beginning Balance	Current Period Debit	Credit	Ending Balance	Adjustment	Adjustment Balance
970	ADM	Legal	435607.00	0.00	0.00	435607.00		
970	M&S	Legal	9975.00	0.00	0.00	9975.00		
971	ADM	Outside Accounting	676000.00	0.00	0.00	676000.00		
978	ADM	Travel/Lodging/Entertainment	0.00	0.00	116056.00	-116056.00		
978	M&S	Travel/Lodging/Entertainment	3500954.00	469721.00	0.00	3970675.00		
982	M&S	Recruiting	283500.00	0.00	0.00	283500.00		
984	M&S	Education & Training	210800.00	8320.00	0.00	219120.00		
987	ADM	Currency Gain or Loss	5950098.00	0.00	3777651.00	2172447.00		
987	M&S	Currency Gain or Loss	-4019851.00	4040427.00	0.00	20576.00		
993	ADM	Miscellaneous Costs	0.00	550000.00	0.00	550000.00		
993	M&S	Miscellaneous Costs	2452498.00	425007.00	0.00	2877505.00		
995	AFP	Central Finance Charge	932690.00	0.00	10375.00	922315.00		
997	ACC	Corporate Charge	3109040.00	82170.00	0.00	3191210.00		
998	ADM	Provision For Income Tax	76600.00	0.00	0.00	76600.00		
** Total Income & Expenses			-17716105.37	9619053.80	11101740.00	-16233419.17		



Japan 1997					
		japan	Adjustment	US	Adjustment
	106	5,317,238	-	5,317,238	
	141	6,241,200	-	6,241,200	
	144	-	-		
	163	189,633	-	189,633	
			-		
	201	75,598	-	75,598	
	202	-	-	-	
			-		
	Total Assets	11,823,669	-	11,823,669	
	311	944,330	-	944,330	
	321	75,062,139	(1,532,091)	76,594,230	
	322	-	(3,480,760)	3,480,760	
	326		3,425,190	(3,425,190)	76,649,800
	331	378,100	-	378,100	
	361	363,735	-	363,735	
	420	10,000,000	-	10,000,000	
	430	(60,278,877)	-	(60,278,877)	
	431	(14,645,758.00)	1,587,661	(16,233,419)	
	Total Liab/Eq	11,823,669	-	11,823,669	
			(1,587,661)	-	
			-		





**INPUT - A CALIFORNIA CORPORATION**

**STOCKHOLDERS**

**MARCH 1998**

William H. Bryant, Esq.  
Bryant, Clohan, Eller, Maines & Baruh,  
LLP  
550 Hamilton Avenue, Suite 220  
Palo Alto, CA 94301

Sheila Collins  
1158 Fordham Way  
Mountain View, CA 94040

Peter & Patricia Cunningham  
P.O. Box 1698,  
725 Britannia Drive  
George Town, Grand Cayman  
Cayman Islands, BWI

Renee Fenstermaker  
112 W. O'Connor Street  
Menlo Park, CA 94025

Bernard Goldstein  
2 Manursing Way  
Rye, NY 10580

Peter Lines  
32 Lawn Crescent  
Key Gardens,  
Richmond TW9 3NS

Edward I. Metz  
13 Lenape Drive  
Montville, NJ 07045

Victor Millar  
4123 North Ridgeview Road  
McLean, VA 22102

Sterling Williams  
Sterling Software  
8080 N. Central Expressway, Suite 1100  
Dallas, TX 75206

Yoshiko Wakaki  
Sun-corp.#102,  
15-1 Tokiwadaira-yanagicho  
Matsudo-shi, Chiba, 270  
Japan



INPUT  
Consolidated Statement of Operations  
For the Year Ended December 31, 1998

Prepared: 10/14/99

ALL FIGURES IN US\$	INPUT US/VA	INPUT-LTD Britain	INPUT-GMBH Germany	INPUT-SARL France	INPUT-KK Japan	Total in US\$
Revenues	3,248,475	1,211,471	528,241	439,932	87,850	5,515,969
Expenses:						
Salaries, wages, fringe benefits and consulting	2,135,655	830,715	85,075	253,595	165,904	3,470,944
Facilities, communications and other costs	1,389,126	570,226	370,337	269,378	127,789	2,726,856
Income (Loss) from operations	(276,306)	(189,470)	72,829	(83,041)	(205,843)	(681,831)
Loss (Gain) from discontinued operation	805,475	29,311	0	0	(834,786)	0
Interest & other income (expenses)	7,057	51,411	26,624	0	10,387	95,479
Income (loss) before taxes	<u>(1,074,724)</u>	<u>(167,370)</u>	<u>99,453</u>	<u>(83,041)</u>	<u>639,330</u>	<u>(586,352)</u>
Tax provision	0	0	(19,743)	0	(5,604)	(25,347)
Net income (loss)	<u>(1,074,724)</u>	<u>(167,370)</u>	<u>79,710</u>	<u>(83,041)</u>	<u>633,726</u>	<u>(611,699)</u>



**INPUT - A CALIFORNIA CORPORATION**

**BOARD OF DIRECTORS**

**MARCH 1998**

**Peter A. Cunningham**

Address:

Telephone

Birth Date:

Occupation:

Chairman of the Board, Director  
P.O. Box 1698, 725 Britannia Drive  
George Town, Grand Cayman  
Cayman Islands, BWI  
(345) 945-5725  
July 13, 1941  
President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(650) 961-3300

**Peter Lines**

Address:

Telephone

Birth Date:

Occupation:

Vice Chairman of the Board, Director  
32 Lawn Crescent  
Key Gardens, Richmond TW9 3NS  
UK  
(0181) 940-3227  
Vice President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(650) 961-3300

**Patricia Cunningham**

Address:

Telephone

Birth Date:

Occupation:

Secretary, Treasurer, Director  
P.O. Box 1698, 725 Britannia Drive  
George Town, Grand Cayman  
Cayman Islands, BWI  
(345) 945-5725  
February 15, 1945  
Vice President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(650) 961-3300



**William H. Bryant**  
Occupation:

Director  
Attorney  
Bryant, Clohan, Ellert, Maines & Baruh, LLP  
550 Hamilton Avenue, Suite 220  
Palo Alto, Ca. 94301  
(650)-961-3300

Telephone

**Sterling Williams**  
Occupation:

Director  
President & CEO  
Sterling Software  
8080 N. Central Expressway  
Suite 110, LB53  
Dallas, TX. 75206  
(214) 981-1000

Telephone

**Tania Amochaev**  
Address:

Director  
2354 Mill Creed Lane  
Healdsburg, CA 95448  
(707) 431-2564

Telephone





**INPUT - A CALIFORNIA CORPORATION**

**COMPANY OFFICERS**

**MARCH 1998**

**Peter A. Cunningham**

Address:

Telephone:

Birth Date:

Occupation:

Chairman of the Board, Director  
P.O. Box 1698, Britannia Villa 631  
George Town, Grand Cayman  
Cayman Islands, BWI  
(345) 945-5725  
July 13, 1941  
President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(415) 961-3300

**Peter Lines**

Address:

Telephone:

Birth Date:

Occupation:

Vice Chairman of the Board, Director (1/97)  
32 Lawn Crescent  
Key Gardens, Richmond TW9 3NS  
UK  
(0181) 940-3227  
Born June 5, 1944  
Vice President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(415) 961-3300

**Patricia Cunningham**

Address:

Telephone:

Birth Date:

Occupation:

Secretary, Treasurer, Director  
P.O. Box 1698, Villa 631  
George Town, Grand Cayman  
Cayman Islands, BWI  
(345) 945-5725  
February 15, 1945  
Vice President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(415) 961-3300



**Wilson Haddow**

Address:

Telephone:

Birth Date:

Occupation:

Vice President (6/95)  
7626 Hollanderry Place  
Cupertino, CA 95016  
(408) 996-9391

Vice President  
INPUT  
1881 Landings Drive  
Mountain View, CA 94043  
(415) 961-3300

**Norman Berthaut**

Address:

Telephone:

Birth Date:

Occupation:

Vice President (12/96)  
9914 Foxborough Circle  
Rockville, MD 20850  
(301) 948-0394

Vice President  
INPUT  
1921 Gallows Road, Suite 250  
Vienna, VA 22182  
(703) 847-6870

**Paul Connolly**

Address:

Telephone:

Birth Date:

Occupation:

Vice President (10/96)  
289 Reading Road  
Henley-on-Thames  
Oxon RG9 1EL, England  
011 44 01491-579277

Managing Director  
INPUT, Ltd.  
55-77 High Street  
Slough, Berks SL1 1DZ, England  
011 44 1753 530444

**John Willmott**

Address:

Telephone:

Birth Date:

Occupation:

Vice President (2/97)  
29 Rose Hill  
Binfield, Berks RG12 4LH  
England  
011 44 01344 307013

Vice President  
INPUT, Ltd.  
55-77 High Street  
Slough, Berks SL1 1DZ, England  
011 44 1753 530444



**Felix Haman**

Address:

Vice President (10/97)

Am Sportplatz 19

35398 Allendorf

Germany

011 49 6403 75 08 5

Birth Date:

Occupation:

Director

INPUT, GmbH

Perchstaetten 16

D-35428 Langgoens

Germany

011 49 6403 911 420

**Kevin Plexico**

Address:

Vice President (1/98)

43983 Lords Valley Terrace

Ashburn, VA 20147

(703) 858-0565

Telephone:

Occupation:

Chief Technology Office

INPUT

1921 Gallows Road, Suite 250

Vienna, VA 22182

(703) 847-6870









**INPUT<sup>®</sup>**

**INPUT Consolidated**  
**FINANCIAL STATEMENTS**

**For the Period Ending December 31, 1998**

Prepared October 12, 1999

CONFIDENTIAL

INPUT  
1881 Landings Drive  
Mountain View, CA 94043  
(650) 961-3300

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**[www.input.com](http://www.input.com)**



INPUT  
 CONSOLIDATED STATEMENT OF OPERATIONS  
 Years ended December 31, 1998 and 1997

Prepared: 9/21/99

	<u>1998</u>	<u>1997</u>
REVENUES:	\$ 5,515,969	\$ 6,613,361
EXPENSES:		
Salaries, wages, fringe benefits and consulting fees	3,470,944	4,730,092
Facilities, communications and other costs	<u>2,726,856</u>	<u>2,404,412</u>
	<u>6,197,800</u>	<u>7,134,504</u>
INCOME (LOSS) FROM OPERATIONS	(681,831)	(521,143)
INTEREST & OTHER INCOME (EXPENSES), NET	<u>95,479</u>	<u>22,737</u>
INCOME (LOSS) BEFORE TAXES	(586,352)	(498,406)
TAX PROVISION	<u>25,347</u>	<u>8,362</u>
NET INCOME (LOSS)	<u>\$ (611,699)</u>	<u>\$ (490,044)</u>



INPUT  
**CONSOLIDATED BALANCE SHEET**  
 As of December 31st, 1998  
 (Unaudited)

Prepared: 9/21/99

	<u>12/31/98</u>	<u>12/31/97</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 233,438	357,525
Accounts receivable, net of allowance for doubtful accounts of \$ 1125 (\$1125 in 1997)	878,525	1,208,525
Prepaid expenses	3,131	10,972
<b>TOTAL CURRENT ASSETS</b>	<u>1,115,094</u>	<u>1,577,022</u>
PROPERTY & EQUIPMENT:		
Furniture and fixtures	280,391	283,278
Office equipment	1,289,444	1,200,704
Leasehold improvements	111,907	115,677
	<u>1,681,742</u>	<u>1,599,659</u>
Accumulated depreciation	(1,345,118)	(1,213,141)
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<u>336,624</u>	<u>386,518</u>
DEPOSITS	94,774	116,319
	<u>\$ 1,546,492</u>	<u>2,079,859</u>

LIABILITIES AND NET CAPITAL DEFICIENCY

CURRENT LIABILITIES:		
Accounts payable	\$ 262,862	365,780
Notes payable	1,000,000	0
Accrued liabilities	534,132	769,833
Obligations under capital leases	20,342	3,579
Income taxes payable	38,403	18,532
Deferred revenue	1,255,808	1,875,072
<b>TOTAL CURRENT LIABILITIES</b>	<u>3,111,547</u>	<u>3,032,796</u>
NET CAPITAL DEFICIENCY:		
Common stock, no par value: 75,000,000 share authorized,	60,875	57,675
Accumulated deficit	(1,705,728)	(1,094,031)
Cumulative translation adjustment	79,798	83,419
<b>TOTAL NET CAPITAL DEFICIENCY</b>	<u>(1,565,055)</u>	<u>(952,937)</u>
	<u>\$ 1,546,492</u>	<u>2,079,859</u>



INPUT  
 CONSOLIDATED STATEMENT OF NET CAPITAL DEFICIENCY  
 Years ended December 31, 1998 and 1997

	<u>Common stock</u>				
	<u>Number of shares issued and outstanding</u>	<u>Amount</u>	<u>Accumulated deficit</u>	<u>Cumulative translation adjustment</u>	<u>Net capital deficiency</u>
Balance at December 31, 1996	\$ 839,000	\$ 61,650	\$ (603,897)	\$ 47,094	\$ (495,153)
Issuance of common stock					
Repurchase of common stock	(3,500)	(3,975)			(3,975)
Accumulated translation adjustment for the year				36,325	36,325
Net Income (Loss)			<u>(490,134)</u>		<u>(490,134)</u>
Balance at December 31, 1997	\$ 835,500	\$ 57,675	\$ (1,094,031)	\$ 83,419	\$ (952,937)
Prior yr adjustment					
Issuance of common stock	5,000	4,000			4,000
Repurchase of common stock	(1,000)	(800)			(800)
Accumulated translation adjustment for the year				(3,621)	(3,621)
Net Income			<u>(611,697)</u>		<u>(611,697)</u>
Balance at December 31, 1998	\$ 839,500	\$ 60,875	\$ (1,705,728)	\$ 79,798	\$ (1,565,055)





1998 ORDERS  
FINAL.

**From:** Renee Fenstermaker <reneef@input.com>

**To:** Cunningham Peter <pac@input.com>; Cunningham Patricia <patc@input.com>

**Date:** Tuesday, January 05, 1999 1:08 AM

**Subject:** Prelim Consolidated Orders Dec 98

---

Have not rec'd verification from all Europe office that I have all their December orders. Here is a Prelim rpt.



## INPUT CONSOLIDATED ORDERS - BY UNIT

December 1998 - 12 Months' Actual

Prepared: 4-Jan-99

	ACTUAL												ACTUAL AS OF DEC.	PRIOR YEAR	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC			
	(\$000)														
US COMMERCIAL	61	237	161	52	40	142	107	151	124	91	167	170.2	1,503	1,595	
YTD															
US GOVT.	148	134	121	168	103	127	112	112	-44	88	27	160	1,256	1,631	
YTD															
BRITAIN	139	21	178	114	92	44	14	95	17	60	29	-10	793	1,286	
YTD															
FRANCE	6	45	90	33	61	79	5	25	39	62	37	29	510	551	
YTD															
GERMANY	28	87	53	114	52	54	61	34	20	52	34	39	629	773	
YTD															
JAPAN	0	0	9	17	15	33	8	0	16	2	16	13	128	404	
YTD															
AGENTS	0	0	0	0	0	0	0	0	0	0	0	14	14	-	
YTD															
MONTH TOTAL	382	524	612	498	363	478	307	417	172	355	309	414	4,831	6,240	
YTD TOTAL	382	906	1,518	2,016	2,379	2,857	3,164	3,581	3,753	4,107	4,417	4,831			

0

4,831 ✓

Corrected 5/99



## INPUT CONSOLIDATED ORDERS - BY UNIT

December 1998 - 12 Months' Actual

Prepared: 4-Jan-99

	ACTUAL												ACTUAL AS OF DEC.	PRIOR YEAR	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC			
	(\$000)														
US COMMERCIAL	61	237	161	52	40	142	107	151	124	91	167	170.2	1,503	1,595	
YTD															
US GOVT.	148	134	121	168	103	127	112	112	-44	88	27	160	1,256	1,631	
YTD															
BRITAIN	139	21	178	114	92	44	14	95	17	60	29	-10	793	1,286	
YTD															
FRANCE	6	45	90	33	61	79	5	25	39	62	37	29	510	551	
YTD															
GERMANY	28	87	53	114	52	54	61	34	20	52	34	39	629	773	
YTD															
JAPAN	0	0	9	17	15	33	8	0	16	2	16	13	128	404	
YTD															
AGENTS	0	0	0	0	0	0	0	0	0	0	0	14	14	-	
YTD															
MONTH TOTAL	382	524	612	498	363	478	307	✓ 417	✓ 156	✓ 353	✓ 293	✓ 414	4,798	6,240	
YTD TOTAL	382	906	1,518	2,016	2,379	2,857	3,164	3,581	3,737	4,090	4,383	4,798			

0



## INPUT CONSOLIDATED ORDERS BY PRODUCT

December 1998 - 12 Months' Actual

Prepared: 4-Jan-99  
\*\*Prelim\*\*

		Actual	Actual YTD	Prior YTD
		Dec	1998	1997
			(\$000's)	
<b>TOTALS:</b>				
<b>Market Communications Programs</b>				
SUBSCRIPTIONS		Renewal	-	335.5
		New	-	225.0
		Projects	34.4	390.3
		TOTAL	34.4	950.8
MKT ACT. CUSTOM (P.P.) PROGRAMS/PROJECTS			150.0	532.0
TOTAL MARKET COMMUNICATIONS			184.4	1,482.8
<b>Market Research Programs</b>				
SUBSCRIPTIONS		Renewal	164.3	1,476.5
		New	65.4	672.9
		Report/Copy	46.9	494.1
		TOTAL	276.6	2,643.5
CUSTOM PROJECTS/CONSULTING			(46.5)	689.8
TOTAL MARKET RESEARCH			230.1	3,333.3
Other		MULTICLIENT	-	15.2
TOTAL			414.5	4,831.3
				6,224.0





## INPUT CONSOLIDATED ORDERS BY PRODUCT

December 1998 - 12 Months' Actual

Prepared: 4-Jan-99  
\*\*Prelim\*\*

	Actual	Actual YTD	Prior YTD
	Dec	1998	1997
<b>PROGRAMS:</b>			
<b>Electronic Commerce</b>			
- Market Communications Program	Renewal -	3.3	-
	New -	-	-
	Projects -	3.3	-
- Market Research Program	Renewal 14.5	124.1	160.2
	New 27.0	52.2	195.8
	Reports/Copy -	13.7	20.6
	41.5	190.0	376.6
	<b>Program Total</b> 41.5	<b>193.3</b>	<b>376.6</b>
<b>Electronic Government</b>			
- Market Communications Program	Renewal -	14.5	-
	New -	-	-
	Projects -	24.0	-
		38.5	-
- Market Research Program	Renewal 116.1	746.3	1,013.0
	New 39.0	240.1	410.4
	Reports/Copy 8.5	80.0	94.0
	163.6	1,066.4	1,517.4
	<b>Program Total</b> 163.6	<b>1,104.9</b>	<b>1,517.4</b>
<b>Enterprise Applications Solutions</b>			
- Market Communications Program	Renewal -	86.0	-
	New -	73.4	-
	Projects 24.4	186.1	-
	24.4	345.5	-
- Market Research Program	Renewal -	46.2	90.5
	New -	55.8	104.9
	Reports/Copy 19.2	67.3	271.0
	19.2	169.3	466.4
	<b>Program Total</b> 43.6	<b>514.8</b>	<b>466.4</b>
<b>Internet/Intranet Technology</b>			
- Market Communications Program	Renewal -	45.0	-
	New -	35.9	-
	Projects -	17.5	-
		98.4	-
- Market Research Program	Renewal -	32.1	106.0
	New (14.5)	(3.3)	107.1
	Report/Copy -	24.3	56.7
	(14.5)	53.1	269.8
	<b>Program Total</b> (14.5)	<b>151.5</b>	<b>269.8</b>

Have not rec'd verification from all Europe office that I have all their December orders. Here is a Prelim rpt.

---

**From:** Renee Fenstermaker <reneef@input.com>  
**To:** Cunningham Peter <pac@input.com>; Cunningham Patricia <patc@input.com>  
**Date:** Tuesday, January 05, 1999 1:08 AM  
**Subject:** Prelim Consolidated Orders Dec 98

## INPUT CONSOLIDATED ORDERS BY PRODUCT

December 1998 - 12 Months' Actual

Prepared: 4-Jan-99  
\*\* Prelim \*\*

		Actual	Actual YTD	Prior YTD
		Dec	1998	1997
<b>Customer Services &amp; Support</b>				
- Market Communications Program				
	Renewal	-	74.7	-
	New	-	61.0	-
	Projects	10.0	119.1	-
		10.0	254.8	-
- Market Research Program				
	Renewal	4.7	90.3	235.1
	New	13.9	59.8	270.4
	Report/Copy	3.4	124.7	306.5
		22.0	274.8	812.0
	<b>Program Total</b>	<b>32.0</b>	<b>529.6</b>	<b>812.0</b>
<b>Operational Services</b>				
- Market Communications Program				
	Renewal	-	87.4	-
	New	-	32.8	-
	Projects	-	5.0	-
		-	125.2	-
- Market Research Program				
	Renewal	29.0	121.5	176.4
	New	-	136.1	286.2
	Reports/Copy	8.4	80.4	299.8
		37.4	338.0	762.4
	<b>Program Total</b>	<b>37.4</b>	<b>463.2</b>	<b>762.4</b>
<b>IT Software &amp; Services Market</b>				
- Market Communications Program				
	Renewal	-	24.6	-
	New	-	21.9	-
	Projects	-	38.6	-
		-	85.1	-
- Market Research Program				
	Renewal	-	130.5	238.6
	New	-	68.2	145.8
	Reports/Copy	7.2	92.7	151.9
		7.2	291.4	536.3
	<b>Program Total</b>	<b>7.2</b>	<b>376.5</b>	<b>536.3</b>
<b>Vendor Analysis</b>				
- Market Research Program				
	Renewal	-	185.5	132.2
	New	-	64.0	54.1
	Reports/Copy	0.2	11.0	80.1
		0.2	260.5	266.4
	<b>Program Total</b>	<b>0.2</b>	<b>260.5</b>	<b>266.4</b>
<b>Custom</b>				
- Market Communications				
	Custom (PPI) Programs/Projects	150.0	532.0	-
- Market Research				
	Custom Projects/Consulting	(46.5)	689.8	1,034.1
	<b>Custom Total</b>	<b>103.5</b>	<b>1,221.8</b>	<b>1,034.1</b>
<b>Other</b>				
	Multiclient/Other	-	15.2	182.6
	<b>Other Total</b>	<b>-</b>	<b>15.2</b>	<b>182.6</b>



INPUT MONTHLY PERFORMANCE REPORTS Date Printed: 9/21/99

INPUT  
**CONSOLIDATED INCOME STATEMENT**  
 As of December 31 1998

US  
 CA + VA  
 -CONT. -

Prepared: 20-Sep-99

	Total
	<b>Continuing</b>
	<u>Consolidated</u>
	(\$ 000's)
<b>Revenues</b>	3,248,474
<b>Expenses</b>	
Marketing & Sales	1,027,490
Operations	1,305,632
G&A***	1,919,912
Total	4,253,034
<b>EBITDA *</b>	(1,004,560)
Depreciation/Amortization	77,220
Interest Expense(Net)	(7,057)
<b>EBT **</b>	(1,074,723)
Taxes	-
<b>Net Income</b>	(1,074,723)

\* EBITDA: Earnings before interest, taxes, depreciation &amp; amortization.

\*\* EBT: Earnings before taxes.

\*\*\* G&amp;A Includes loss off of \$805,745 from discontinued operation (Japan)



## INPUT MONTHLY PERFORMANCE REPORTS Date Printed: 9/21/99

**INPUT - US**  
**INCOME STATEMENT**  
**As of December 31, 1998**

Prepared:

	<u>US \$</u>
<b>Revenues</b>	1,753,703
<b>Expenses</b>	
Marketing & Sales	669,398
Operations	742,946
G&A ***	1,462,281
Total	2,874,625
<b>EBITDA *</b>	(1,120,922)
Depreciation/Amortization	32,124
Interest Expense(Net)	(6,945)
<b>EBT **</b>	(1,146,101)
Taxes	-
<b>Net Income</b>	(1,146,101)

\* EBITDA: Earnings before interest, taxes, depreciation &amp; amortization.

\*\* EBT: Earnings before taxes

\*\*\* G&amp;A Includes loss of \$805,745 from discontinued operation (Japan)





INPUT MONTHLY PERFORMANCE REPORTS Date Printed: 9/21/99

INPUT - FEDERAL  
INCOME STATEMENT  
As of December 31, 1998

Prepared:

	<u>US \$</u>
<b>Revenues</b>	<b>1,494,771</b>
<b>Expenses</b>	
Marketing & Sales	358,092
Operations	562,686
G&A	457,631
Total	1,378,409
<b>EBITDA *</b>	<b>116,362</b>
Depreciation/Amortization	45,096
Interest Expense(Net)	(112)
<b>EBT **</b>	<b>71,378</b>
Taxes	-
<b>Net Income</b>	<b>71,378</b>

\* EBITDA: Earnings before interest, taxes, depreciation &amp; amortization.

\*\* EBT: Earnings before taxes.



## INPUT MONTHLY PERFORMANCE REPORTS

Date Printed:

INPUT  
 CONSOLIDATED INCOME STATEMENT  
 As of December 31 1998

FOREIGN  
 BR, FR, GY, JN  
 - DISCONT -

Prepared: 20-Sep-99

	Total Discontinued Consolidated
	(\$ 000's)
Revenues	2,267,757
Expenses	
Marketing & Sales	797,900
Operations	859,107
G&A**	142,620
Total	1,799,627
EBITDA *	468,130
Depreciation/Amortization	55,657
Interest Expense(Net)	(88,601)
EBT **	501,074
Taxes	37,820
Net Income	463,254

\* EBITDA: Earnings before interest, taxes, depreciation &amp; amortization.

\*\* EBT: Earnings before taxes.



## INPUT MONTHLY PERFORMANCE REPORTS

Date Printed: 9/21/99

**INPUT - Britain**  
**INCOME STATEMENT**  
**As of December 31, 1998**

		Prepared: 20-Sep-99
		Conv Rate
		1.6
	<u>Pounds STG</u>	<u>US \$</u>
<b>Revenues</b>	757,169	1,211,470
<b>Expenses</b>		
Marketing & Sales	176,017	281,627
Operations	398,946	638,314
G&A***	291,094	465,750
Total	866,057	1,385,691
<b>EBITDA *</b>	(108,888)	(174,221)
Depreciation/Amortization	27,851	44,582
Interest Expense(Net)	(32,132)	(51,411)
<b>EBT **</b>	(104,607)	(167,371)
Taxes	-	-
<b>Net Income</b>	(104,607)	(167,371)

\* EBITDA: Earnings before interest, taxes, depreciation &amp; amortization.

\*\* EBT: Earnings before taxes.

\*\*\*G&amp;A: Includes Pds18,319 (\$29310) loss from discontinued operation (Ja



## INPUT MONTHLY PERFORMANCE REPORTS

Date Printed: 9/20/99

**INPUT - France**  
**INCOME STATEMENT**  
 As of December 31, 1998

Prepared: 20-Sep-99

	Conv Rate	
	FF	US \$
<b>Revenues</b>	2,640,651	440,109
<b>Expenses</b>		
Marketing & Sales	948,254	158,042
Operations	656,766	109,461
G&A	1,498,029	249,672
Total	3,103,049	517,175
<b>EBITDA *</b>	(462,398)	(77,066)
Depreciation/Amortization	36,041	6,007
Interest Expense(Net)	-	-
<b>EBT **</b>	(498,439)	(83,073)
Taxes	-	-
<b>Net Income</b>	(498,439)	(83,073)

\* EBITDA: Earnings before interest, taxes, depreciation &amp; amortization.

\*\* EBT: Earnings before taxes.





## INPUT MONTHLY PERFORMANCE REPORTS

Date Printed: 9/20/99

**INPUT - Germany**  
**INCOME STATEMENT**  
**As of December 31, 1998**

Prepared: 20-Sep-99

	Conv Rate	
	DM	US \$
<b>Revenues ***</b>	950,928	528,293
<b>Expenses</b>		
Marketing & Sales	313,167	173,982
Operations	200,397	111,332
G&A	274,964	152,758
Total	788,528	438,071
<b>EBITDA *</b>	162,400	90,222
Depreciation/Amortization	9,158	5,088
Interest Expense(Net)	(48,234)	(26,797)
<b>EBT **</b>	201,476	111,931
Taxes	57,984	32,213
<b>Net Income</b>	143,492	79,718

\* EBITDA: Earnings before interest, taxes, depreciation &amp; amortization.

\*\* EBT: Earnings before taxes.

\*\*\*: Revenue include prior year tax refunds totalling DM 47970  
Received in 1998.



## INPUT MONTHLY PERFORMANCE REPORTS

Date Printed: 9/21/99

**INPUT - KK**  
**INCOME STATEMENT**  
**As of December 31, 1998**

Prepared: 20-Sep-99

	<u>Yen</u>	<u>Conv Rate 120 US \$</u>
<b>Revenues</b>	10,546,250	87,885
<b>Expenses</b>		
Marketing & Sales	22,109,893	184,249
G&A***	(87,067,094)	(725,559)
Total	(64,957,201)	(541,310)
<b>EBITDA *</b>	75,503,451	629,195
Depreciation/Amortization	-	-
Interest Expense(Net)	(1,246,950)	(10,391)
<b>EBT **</b>	76,750,401	639,587
Taxes	672,800	5,607
<b>Net Income</b>	76,077,601	633,980

\* EBITDA: Earnings before interest, taxes, depreciation &amp; amortization.

\*\* EBT: Earnings before taxes.

\*\*\*G&amp;A Includes a gain of yen 100,974,320 (\$805,745) due to intercompany payable write off due to US, and (\$29,310) due to Britain



From: Pat Cunningham <patc@input.com>  
To: SColl51131@aol.com <SColl51131@aol.com>  
Date: Thursday, September 16, 1999 12:42 PM  
Subject: Re: Intercompan Accounts

INTERCO  
WRITEOFFS  
1998-99

Sheila - Will contact you on Monday, as requested - Pat

-----Original Message-----

From: SColl51131@aol.com <SColl51131@aol.com>  
To: patc@input.com <patc@input.com>  
Date: Wednesday, September 15, 1999 7:31 PM  
Subject: Intercompan Accounts

>Pat,  
>Attached are the Interco account balances before/after the write-offs.  
>For tax purposes the Japan write was used in 1998, we should adjust the  
final  
>1998 financials to reflect this. I need to discuss the stock issues  
relating  
>to the discontinued units and several other items relating to UK<FR and GR.  
>I will be in the office Thursday until noon and again next Monday it would  
>be helpful if you could give me a call, Many thanks Sheila  
>

~~did not change Central~~  
Corp looks as if we will track  
out to yr end



		INPUT INTERCOMPANY ACCOUNTS @ 09/15/99		Date Prepared: 09/15/99
ACCOUNT #	DESCRIPTION			
U.S. Commercial 326	Payable to Corp	(11)	\$ (333,810.45)	
Federal 326	Payable to CORP	(15)	\$ (65,109.28)	
CORP 226	Receivable from US Commercial	(15)	\$ 65,109.28	
221	Receivable from US Federal	(11)	\$ 333,810.45	





INPUT  
INTERCOMPANY ACCOUNTS  
@ 08/31/99

Date Prepared: 08/26/99

ACCOUNT #	DESCRIPTION		CONVERTED @			
U.K.		STG				
221	Receiveable from USA	(1)	333,671.89	1.60	533,875.02	\$
323	Payable to GMBH	(7)	(248,570.01)	3.00	(745,710.03)	DM
324	Payable to France	(3)	(5,869.35)	10.00	(58,693.50)	FF
225	Receiveable from Japan	(4)	18,319.79	200.00	3,663,958.00	YEN
326	Payable to Corp	(2)	(263,059.60)	1.60	(420,895.36)	\$
			<u>(165,507.28)</u>			
GMBH		DM				
321	Payable to US	(6)	(298,313.06)	1.80	(165,729.48)	\$
222	Receiveable from U.K	(7)	745,710.08	3.00	248,570.03	STG
224	Receiveable from France	(5)	66,536.33	3.40	226,223.52	FF
326	Payable to Corp	(8)	(20,652.35)	1.80	(11,473.53)	\$
			<u>493,281.00</u>			
U.S.		\$'s				
223	Receiveable from-Gmbh	(6)	165,729.55	1.80	298,313.19	DM
224	Receiveable from France	(9)	73,658.16	6.00	441,948.96	FF
225	Receiveable from Japan	(10)	712,617.89	120.00	85,514,146.80	YEN
326	Payable to Corp	(11)	(333,810.45)	1.00	(333,810.45)	\$
322	Payables to UK	(1)	<u>(533,575.02)</u>	1.60	(333,484.39)	STG
			<u>84,620.13</u>			
Federal						
326	Payable to CORP	(15)	(65,109.28)	1.00	(65,109.28)	\$
			<u>(65,109.28)</u>			
CORP						
222	Receiveable from UK	(2)	420,895.36	1.60	263,059.60	STG
223	Receiveable from GMBH	(8)	11,473.53	1.80	20,652.35	DM
224	Receiveable from France	(12)	44,661.84	6.00	267,971.04	FF
325	Payable to Japan	(13)	(5,605.47)	120.00	(672,656.40)	YEN
226	Receiveable from VA	(15)	65,109.28	1.00	65,109.28	\$
221	Receiveable from US	(11)	333,810.45	1.00	333,810.45	\$
			<u>870,344.99</u>			
FRANCE		FF				
321	Payable to US	(9)	(441,948.96)	6.00	(73,658.16)	\$
222	Receiveable from UK	(3)	58,690.83	10.00	5,869.08	STG
324	Payable to GmbH	(5)	(226,223.50)	3.40	(66,536.32)	DM
326	Payable to Corp	(12)	<u>(267,971.62)</u>	6.00	(44,661.94)	\$
			<u>(877,453.25)</u>			
JAPAN		YEN				
321	Payable to USA	(10)	(85,514,146.97)	120.00	(712,617.89)	\$
322	Payable to UK	(4)	(3,664,000.00)	200.00	(18,320.00)	STG
326	Payable to Corp	(13)	<u>(672,656.40)</u>	120.00	(5,605.47)	\$
			<u>(89,850,803.37)</u>			



## INPUT - INTERCOMPANY WRITE-OFFS @ 12/31/98

## INPUT LTD.,

Account #	Description	Amount Stg		DR	CR
221	Receivable from USA	328,663.47			328,663.47
993	Misc			328,663.47	
224	Receivable from France	6,931.65			6,931.65
993	Misc			6,931.65	
225	Receivable from Japan	18,319.17	353,914.29		18,319.17
993	Misc			18,319.17	
323	Payable to Germany	(248,570.01)		248,570.01	
993	Misc				248,570.01
326	Payable to Corporate	(197,936.35)		197,936.36	
993	Misc		(446,506.36)		197,936.36
	Net Gain Stg	(92,592.07)	(92,592.07)	800,420.66	800,420.66

## INPUT GmbH

	Description	Amount dm			
222	Receivable from UK	745,710.08			745,710.08
993	Misc			745,710.08	
224	Receivable from France	28,403.90	774,113.98		24,803.80
993	Misc			24,803.80	
321	Payable to USA	(295,154.84)		295,154.84	
993	Misc				295,154.84
326	Payable to Corporate	(40,187.78)	(335,342.62)	40,187.78	
993	Misc				40,187.78
	Net Loss dm	438,771.36	438,771.36	1,105,856.50	1,105,856.50

## INPUT France

	Description	Amount ff			
321	Payable to USA	(412,939.54)		412,939.54	
993	Misc				412,939.54
322	Payable to UK	(69,316.60)		69,316.60	
993	Misc				69,316.60
324	Payable to Germany	(96,573.25)		96,573.25	
993	Misc				96,573.25
326	Payable to Corporate	(261,900.40)		261,900.40	
993	Misc				261,900.40
	Net Gain ff	(840,729.79)	(840,729.79)	840,729.79	840,729.79

## INPUT Japan

	Description	Amount yen			
321	Payable to USA	(85,514,146.97)		85,514,146.97	
993	Misc				85,514,146.97
322	Payable to UK	(3,664,000.00)	(89,178,146.97)	3,664,000.00	
993	Misc				3,664,000.00
326	Receivable Corporate	137,160.00	137,160.00		137,160.00
993	Misc			137,160.00	
	Net Gain yen	(89,040,986.97)	(89,040,986.97)	89,315,306.97	89,315,306.97



INPUT Commercial		Amount US \$'s		DR	CR
Account #	Description				
223	Receivable from Germany	163,974.98			163,974.98
993	Misc			163,974.98	
224	Receivable from France	68,823.35			68,823.35
993	Misc			68,823.35	
225	Receivable from Japan	712,617.89	945,416.22		712,617.89
993	Misc			712,617.89	
322	Payable to UK	(525,861.95)	(525,861.95)	595,249.42	
993	Misc				595,249.42
	Net Loss \$	<b>419,554.27</b>	419,554.27	1,540,665.64	1,540,665.64
INPUT Corporate		Amount US \$'s		DR	CR
Account #	Description				
222	Receivable from UK	316,698.16			316,698.16
993	Misc			316,698.16	
223	Receivable from Germany	22,326.52			22,326.52
993	Misc			22,326.52	
224	Receivable from France	43,650.07	382,674.75		43,650.07
993	Misc			43,650.07	
224	Payable to Japan	(1,143.00)	(1,143.00)	1,143.00	
993	Misc				1,143.00
	Net Loss \$	<b>381,531.75</b>	381,531.75	383,817.75	383,817.75









Ms P Cunningham  
Input Limited  
725 Britannia Drive  
Box 1698  
George Town  
Grand Cayman  
Cayman Islands

8 March 2000

4/ANS/CMW/KT

FAX: Sheila  
FYI

Pat 3/27/00

Dear Pat

INPUT LIMITED  
CORPORATION TAX COMPUTATION  
PERIOD ENDING 31 DECEMBER 1998

I am please to inform you that the Inspector of Taxes has now agreed the corporation tax computation in respect of the above period.

I enclose a bound copy of the agreed computation, return and loss determination for your files.

If you have any queries, please do not hesitate to contact me.

Yours sincerely



John Print  
Assurance Senior Executive  
Corporate Tax

Enc





# **Input Limited**

**Corporation Tax Computation and Return  
for the Accounting Period**

**01/01/1998 to 31/12/1998**

HMIT ref: 176/81760 15746

Agent's ref: 4/AS/CMW\_/djp

Date prepared: 03/03/2000



This form, or an approved substitute version of it, must be used whenever a company is required to do so, by a Notice to deliver a Corporation Tax Return (form CT203). This return sets out the information we need and provides a standard format for calculations.

You should read this return form along with your Notice to deliver a Corporation Tax Return (form CT203) and Filing in your Corporation Tax Return (leaflet CT200 Notes) which you should have received with this form. The notes referred to throughout can be found in the leaflet CT200 Notes. You should contact your Tax Office if you need more help.

A company means any body chargeable to corporation tax, whether incorporated or not. This definition includes clubs, associations and voluntary organisations.

Sections to be completed

Members' clubs, associations and voluntary organisations - It is likely that you will only have to complete Sections 1 and 2. For further guidance see note 1 in the Notes.

All companies - including clubs, etc. - You will not need to complete every Section, but you must complete the Declaration and Section 1 on this page. The Notes will help you decide whether you should complete the mutually exclusive Short return at Section 2 or the Detailed return at Section 3. Sections 9 and 10 are optional but you are asked to complete them if they are relevant to the company.

It is important that you read the Notes before completing any part of this form.

What to do when you have completed the return

Make sure you have completed and signed the Declaration, then

• staple together the pages you have completed and attach any supporting calculations

• send these together with the relevant company accounts and, where prepared, directors' and auditors' reports, to your Tax Office using the

envelope provided (see Note 3 for the date by which you should do this)

• pay any outstanding corporation tax (as you have shown at box 65), as advised on the payslip attached to your Notice to deliver a

Corporation Tax Return (form CT203). Interest is charged on tax paid later than nine months and one day after the end of an accounting

period. Tax is due without the making of an assessment.

Remember - Your tax return is not complete unless you send relevant accounts and documentation with this form.

Penalties may be charged if your return, or any part of it, is late or incorrect.

As soon as your figures are agreed

• we will send you an assessment setting out the tax position for the accounting period - unless there are no figures to assess

• we will issue an amended assessment if you have already received an estimated assessment and you have appealed against it.

## Section 1: Summary

The company name

Input Limited

The company address - only if changed since last return made.

Enter the UK registered office address, or the UK address if the company does not have a registered office. If the company does not have premises in the UK show the address of the person making the return.

Company registration number (if registered)

1470416

Reference

Enter the reference number shown on the Notice to deliver a Corporation Tax Return (form CT203)

176

81760

15746

Corporation tax accounting period covered by this return

cannot exceed 12 months. Enter start and end dates.

From 01/01/1998

To 31/12/1998

This period is not an accounting period of the company for corporation tax

purposes (see note 2) put an 'X' in the box below, complete the Declaration to the right and return this form to your Tax Office. You do not need to complete the rest of this Section or other Sections of this form in these circumstances.

Profits chargeable (Enter the figure from box 30). If there are none enter '0'.

£

0

Corporation tax due

£

p

(Enter the figure from

box 61 minus any

0.00

by in box 64). If none is due enter '0.00'

Put an 'X' in the appropriate box

Have you completed Section 8 (Repayments)?

Yes

No

X

Is the company name different from that shown in the Notice (form CT203)?

Yes

No

X

## Declaration

Enter here the page numbers you are attaching

1,4,5,6,9

Put an 'X' in the appropriate boxes to show the documents you are enclosing

• a copy of the accounts for the period to which this return relates

X

• a copy of the accounts for a different period

• no accounts

• say why not

• calculations showing how the entries in the return form have been arrived at.

X

I declare that to the best of my knowledge and belief the return on this page and the pages attached is correct and complete.

Signature

*Kevin O'Connell*

Except where a liquidator has been appointed, the company secretary, treasurer, or any other person who is authorised to do so may sign this declaration on behalf of the company. A photocopy of a signature is not acceptable.

Date

13 Dec 1999

Name (in capital letters)

P CUNNINGHAM

Status (company secretary, treasurer, liquidator etc.)

Company Secretary



**Section 3: Detailed return**

Complete this section if you have not completed Section 2. You should enclose an explanation and calculations of any figures you have estimated or which are not immediately recognisable from the company's accounts. The figures to be entered are those adjusted for tax purposes, after deducting capital allowances and adding balancing charges where appropriate. Section 4 should also be completed if capital allowances are claimed. **Please do not enter '0' where the company did not have the income or deduction source specified in the return.**

**Income**

Trading profits (Schedule D Cases I and II)  
See note 5

£

Trading losses brought forward include charges treated as losses. Only include losses made in the same trade. Do not enter an amount larger than is needed to cover the profits in box 1. See note 6

£

Net trading profit (box 1 minus box 2). If box 2 equals box 1, enter '0'. Leave this box blank if there are no trading profits in box 1.

£

Trading losses Losses of this accounting period, where there is more than one trade give total for all trades. Keep separate from profits of other trades shown in box 1. Do not set box 4 losses against box 1 profits, claim in box 22 against total profits.

See note 5

Profits and gains from non-trading loan relationships, exchange fluctuations or certain financial instruments Include profits and gains on non-trading loan relationships even if tax has been deducted. Also include intra-group income under Section 247(4) ICTA 1988 which represents interest on loan relationships. Complete box 57 to claim credit for income tax deducted. Put an 'X' in box 6 if income is stated net after carrying back deficits on non-trading loan relationships. Sections 80-105 and Schedules 7-15 FA 1996. See note 8.

5

Case III income Exclude any amount included in box 6 above. See note 8.

Overseas income within Schedule D Case V

Income within Schedule D Case VI Enter the figure net of allowable losses brought forward.

Exclude income you enter in box 12. See note 7.

Income from which income tax has been deducted. Enter the gross amount before tax and exclude any amount included in box 6 above. Complete box 57 to claim credit for income tax deducted. See note 9.

Intra-group income under Section 247(4) ICTA 1988 election where tax not deducted

Exclude any amount included in box 6 above

Income from UK land and buildings Enter amount net of allowable expenses. See note 10.

Chargeable gains See note 11 Gross gains

13

Allowable losses including losses brought forward

Do not enter any amount larger than is needed to cover gains in box 13

14

Net chargeable gains (box 13 minus box 14). If box 14 equals box 13, enter '0'

15

Non-trade losses on loan relationships (including interest), exchange fluctuations and certain financial instruments brought forward Sections 80-105 and Schedules 7-15 FA 1996. See note 8. Amount cannot exceed total of boxes 6, 7, 8, 9, 10, 11, 12 and 15.

16

Profits before deductions and reliefs

(total of box 3, and the net sum of boxes 6, 7, 8, 9, 10, 11, 12, 15 minus box 16)

17

**Deductions and reliefs**

Management expenses under Section 75 ICTA 1988 and/or Schedule A losses for this or the previous accounting period. See note 10.

18

Losses on unquoted shares Section 573 ICTA 1988

19

Net non-trade losses for this accounting period from loan relationships, exchange fluctuations or certain financial instruments Sections 80-105 and Schedules 7-15 FA 1996

Exclude amounts included in box 6 above. See note 8

20

Trading losses of this or a later accounting period Section 393A ICTA 1988

Put an 'X' in box 21 if amounts carried back from later accounting periods are included in box 22. See note 12

21

Non-trade capital allowances Section 145(3) CAA 1990. Complete Section 4 to make a claim for this period

23

Losses brought forward against certain investment income Section 393(8) ICTA 1988

24

Total of boxes 18 to 24 This figure must not exceed profits shown in box 17

25

Profits before charges and group relief (Box 17 minus box 25)

26

Charges paid This figure must not exceed profits shown in box 26. See note 13

27

Profits before group relief (Box 26 minus box 27)

28

Group relief This figure must not exceed profits shown in box 28. Attach a copy of all necessary notices of consent and complete Section 6. See note 14

29

Profits chargeable to Corporation Tax (Box 28 minus box 29) Copy this figure to Section 1. Carry this figure forward to the box at the top of the next page.

30





**Profits chargeable to corporation tax**

Enter the figure brought forward from page 4, box 30

If you claim tax is chargeable at the small companies' rate, or if you are claiming marginal small companies' relief, complete boxes 31-35. If there are no associated companies, franked investment income or foreign income dividends please enter '0' against the relevant financial year. See note 15

Franked investment income and foreign income dividends arising in the period covered by the return. See note 15

Number of companies associated with this company in the/each financial year covered by this return. Exclude this company. See note 15

Financial year

32

34

Number of associated companies

33

35

**Corporation tax chargeable** See note 16

Financial years beginning 1 April	Amounts of profit £	Rates of tax See note 16	Tax
			£ p
36	37	38	39
	40	41	42
43	44	45	46
	47	48	49

**Total corporation tax chargeable**

(before reliefs and set-offs in terms of tax) Total of boxes 39, 42, 46 and 49

**Reliefs and set-offs in terms of tax**

Marginal small companies' relief

Attach your computation

51

Double taxation relief

52

Advance corporation tax restricted if necessary under Section 239(2) ICTA 1988

Put an 'X' in box 53 if amounts carried back from later accounting periods are included. See note 17,

53

54

Total reliefs and set-offs in terms of tax. Total of boxes 51, 52 and 54. Cannot exceed box 50

55

**Net corporation tax chargeable (box 50 minus box 55)**

56

**Calculation of tax outstanding or overpaid**

Income tax deducted from gross income included in profits. Do not include deductions used to cover income tax for which the company was liable to account to the Inland Revenue on payments it has made. See note 18

57

**Net corporation tax liability**

Box 56 minus box 57. If box 57 equals or is greater than box 56, enter '0.00' and go to box 59

58

**Income tax repayable to the company**

Box 57 minus box 58. Complete Section 8 on page 8 also. See note 28

59

**Deductions under the construction industry scheme**

Enclose forms SC60. See note 19

60

**Corporation tax due**

Box 58 minus box 60. If box 60 equals or is greater than box 58, enter '0.00' and go to box 62. Copy the figure in box 61 minus any entry in box 64 to the box provided in Section 1 on page 1. See note 20

61

**Construction industry deductions repayable**

Box 60 minus box 58. Complete Section 8 on page 8 also. See note 28

62

Corporation tax already paid and not repaid See note 21

63

Advance corporation tax on a foreign income dividend and set-off to the extent that CT is otherwise unpaid. See note 22

64

**Corporation tax outstanding**

Box 61 minus boxes 63 and 64. This amount is payable to the Accounts Office.

If box 63 equals or is greater than box 61, enter '0.00' and go to box 66. See note 23

65

**Corporation tax overpaid**

Box 63 minus box 61. Complete Section 8 on page 8 also. See note 28

66

Tax refunds surrendered to the company under Section 102 FA 1989.

Enclose a copy of the joint Notice. See note 24

67



## Section 4: Claims for capital allowances and details of balancing charges arising

You must complete this section if you want to claim capital allowances, whether or not those allowances are reflected elsewhere in the return. You should also show balancing charges taken into account in the short or detailed return. Show details of qualifying expenditure on which writing-down allowances may be claimed, even if you do not want to claim any allowances for this period. See note 25

**Notice of expenditure on machinery and plant** See note 25

Expenditure on which a first year allowance is claimed £	Qualifying expenditure on long-life assets £	Qualifying expenditure on other assets £
68 <input type="text" value="3,512"/>	91 <input type="text"/>	69 <input type="text" value="3,512"/>
<b>Charges and allowances included in calculation of trading profit or losses</b>		
<b>Cars</b>	<b>Balancing charges £</b>	<b>Capital allowances £</b>
<i>Including leased out and "expensive" cars</i>	70 <input type="text"/>	71 <input type="text"/>
<b>Machinery and plant</b>		
<i>- long-life assets</i>	92 <input type="text"/>	93 <input type="text"/>
<i>- other</i>		
<b>Industrial buildings and structures</b>	72 <input type="text"/>	73 <input type="text" value="18,447"/>
<i>Including qualifying hotels, and commercial buildings and hotels in enterprise zones</i>	74 <input type="text"/>	75 <input type="text"/>
<b>Other charges and allowances</b>		
<i>For example agricultural buildings, mineral extraction, scientific research, patents</i>	76 <input type="text"/>	77 <input type="text"/>
<b>Charges and allowances not included in calculation of trading profit or losses</b>	78 <input type="text"/>	79 <input type="text"/>

## Section 5: Particulars of advance corporation tax and surplus advance corporation tax

Complete this section if you have surplus advance corporation tax brought forward or have paid advance corporation tax (and it has not been repaid) in respect of qualifying distributions made in the period covered by this return.

[illegible]

## Section 6: Amounts claimed as group relief

Complete this section if you have claimed group relief at box 29 (see note 26). Attach a separate sheet of paper if you need more space. Attach a copy of each surrendering company's notice of consent to the claim unless a special arrangement is in force. Include claims made under the consortium provisions.

Accounting period		Tax reference	Amount claimed from each company
Name of surrendering company		Show the Tax Office number and the tax inspector's file reference. If you do not know these, supply whatever information you have that will help us to identify the company, for example the company registration number.	£
			£
			£
			£
			£
			£
			£
			£
			£
			£
Total			£

*This figure should be the same as the one in box 29.*



**Section 9: Figures brought forward and carried forward**

Please complete this section if any of the following items are

- brought forward from the previous accounting period or
- available for carry forward from the period to which this return relates.

Please provide a reconciliation of any figures that are not explained elsewhere in your accounts and calculations. Attach a separate sheet of paper if you need more space.

	Total brought forward	Less amount used	Plus net amount available to carry forward from this accounting period	Total to carry forward
<b>Trading losses</b> <i>Include trade charges treated as losses</i>	£ 0	£ 0	£ 61,734	£ 61,734
<b>Schedule D case VI losses</b>	£	£	£	£
<b>Schedule A losses</b>	£	£	£	£
<b>Excess management expenses</b> <i>Include business charges treated as management expenses</i>	£	£	£	£
<b>Surplus ACT</b> <i>Enter the figure net of amounts set off or repaid or surrendered to subsidiaries</i>	£ p	£ p	£ p	£ p
<b>Surplus franked investment income</b>	£ p	£ p	£ p	£ p
<b>Losses allowable against chargeable gains</b>	£ 54,458	£	£ 0	£ 54,458
<b>Net non-trade deficits and losses on loan relationships (including interest), exchange fluctuations, and certain financial instruments</b> <i>See note 8.</i>	£	£	£	£
<b>Others</b> <i>Please specify</i>	£	£	£	£
	£	£	£	£
	£	£	£	£



## **Input Limited**

**Corporation Tax Computation  
for the Accounting Period from  
01/01/1998 to 31/12/1998**

HMIT ref: 176/81760 15746  
Agent's ref: 4/AS/CMW\_/djp  
Date prepared: 03/03/2000





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# A. Corporation tax computation

## A.1 Summary of amounts brought forward and carried forward

	Ref:	Total brought forward £	Less amount used £	Plus net amount to carry forward this period £	Total carried forward £
Schedule D Case I trading loss	B.2	nil	nil	61,734	61,734
Capital losses		54,458	nil	nil	54,458



## B. Schedule D Case I

### B.1 Trading result

	Ref:	£	£
Loss before tax per accounts	D.1		(77,529)
<b>Adjustments to accounts: Additions</b>			
Expenses disallowed	B.3	2,554	
Depreciation and amortisation		<u>27,851</u>	
			30,405
<b>Adjustments to accounts: Deductions</b>			
Deductions allowed	B.6	(29,908)	
Net decrease in general provisions	B.5	(12,900)	
Net capital allowances	C.1	<u>(18,447)</u>	
			<u>(81,315)</u>
<b>Schedule D Case I loss</b>	B.2		<u><u>(108,439)</u></u>

### B.2 Trading losses

	Ref:	£
Schedule D Case I trading loss	B.1	108,439
Less: Trading losses utilised by:		
Carry back up to one year s.393A(1) ICTA 1988		<u>(46,705)</u>
Trading losses available to carry forward against profits of the same trade s.393(1) ICTA 1988	A.1	<u><u>61,734</u></u>

### B.3 Expenses disallowed

Expense account	Ref:	Per accounts £	Disallowed £
Legal and professional	B.4	20,985	1,500
Miscellaneous		6,741	
Travel and Subsistence		<u>33,485</u>	<u>1,054</u>
	B.1	<u><u>61,211</u></u>	<u><u>2,554</u></u>



**B.4 Analysis of expenses disallowed**

**Expense account : Legal and professional**

Description	Ref:	Per accounts £	Disallowed £
Accounting		11,642	
Employee matters		5,243	
Winding up fee		1,500	1,500
Accrual b/f -general		(2,400)	
Accrual c/f -general		5,000	
	B.3	<u>20,985</u>	<u>1,500</u>

**Expense account : Miscellaneous**

Description	Ref:	Per accounts £	Disallowed £
Payroll processing fee		1,532	
Bank charges		954	
Health and safety review		1,000	
Outside temping services		2,700	
Miscellaneous		555	
	B.3	<u>6,741</u>	

**Expense account : Travel and Subsistence**

Description	Ref:	Per accounts £	Disallowed £
Travel and subsistence		32,431	
Client entertaining		1,054	1,054
	B.3	<u>33,485</u>	<u>1,054</u>





npur ited  
Corporation Tax Computation

Accounting Period from 01/01/1998 to 31/12/1998 .

B.5 Movements in provisions

Description	Ref:	Specific or general	Balance brought forward £	Charge / (credit) to P & L account £	(Paid) / repaid £	Total other movements £	Balance carried forward £	Net adjustment to profit £
Building Maintenance		General	nil	7,500	nil	nil	7,500	7,500
Legal Accrual		General	2,400	9,344	(6,744)	nil	5,000	2,600
Tax Compliance Accrual		Specific	nil	3,000	nil	nil	3,000	nil
Telephone accrual		General	25,000	2,000	(25,000)	nil	2,000	(23,000)
	B.1		<u>27,400</u>	<u>21,844</u>	<u>(31,744)</u>	<u>nil</u>	<u>17,500</u>	<u>(12,900)</u>



**B.6 Deductions allowed**

Deduction account	Ref:	Allowed £
Other income	B.7	29,968
		<u>29,968</u>
	B.1	<u>29,968</u>

**B.7 Analysis of deductions allowed**

Deduction account : Other Income	Ref:	Allowed £
Description		29,968
Corporation tax refund		<u>29,968</u>
	.B.6	<u>29,968</u>



## C. Schedule D Case I - capital allowances

### C.1 Capital allowances summary

	Ref:	Capital allowances £	Balancing charge £
Plant and machinery:			
General pool	C.2	18,447	nil
		<u>18,447</u>	<u>nil</u>
Net total capital allowances	B.1	<u>18,447</u>	

Notice of expenditure on machinery or plant:

	Qualifying expenditure on long-life assets on which a WDA may be claimed £	Qualifying expenditure on other assets on which a WDA may be claimed £
Expenditure on which a FYA is claimed £	3,512	3,512
	<u>3,512</u>	<u>3,512</u>

### C.2 General pool details

	Ref:	FYA £	Pool £	Claim £
Tax WDV brought forward			66,762	
Net expenditure qualifying for WDA			66,762	
WDA due			(16,691)	16,691
Additions qualifying for FYA				
FYA 02/07/1997 - 01/07/1998	D.3	3,512		
FYA due		(1,756)		1,756
		<u>1,756</u>		
Tax WDV of assets after FYA this period			1,756	
Tax WDV carried forward			51,827	
			<u>51,827</u>	
Total allowances / (balancing charge)	C.1			<u>18,447</u>



## D. Other Supporting Schedules

### D.1 Profit & loss account

	ref	£	£
Turnover			757,169
Cost of sales			
			<hr/> 757,169
Depreciation and amortisation	D.2	27,851	
Loss on disposal of fixed assets			-
Salaries		378,118	
Commissions - salesmen		17,632	
Consultancy		117,564	
Medical & life insurance		5,883	
Supplies		8,525	
Printing		19,867	
Postage		6,714	
Trading dues/subscriptions		7,842	
Equipment rental		(5,948)	
Maintenance		4,475	
Rent & rates		58,333	
Telephone		14,379	
Brochures & literature		(2,700)	
Conference & trade shows		540	
Legal & professional	B.4	20,985	
Travel & subsistence	B.4	33,485	
Recruiting & training		31,153	
Insurance		4,306	
Exchange loss - trading		3,348	
Miscellaneous	B.4	6,741	
Recharge from US parent		107,905	
			<hr/> (866,798)
Total operating costs			
Operating loss			(109,629)
Interest receivable			2,164
Other income	B.7		29,968
Dividends receivable			
Interest payable			<hr/> (32)
Loss before tax	B.1		<hr/> (77,529)





**D.2 Fixed asset summary**

		Land & buildings £	Plant £	Total £
Net book value b/f		41,759	54,996	96,755
Additions	D.3		3,512	3,512
Disposals				0
Depreciation	D.1		(27,851)	(27,851)
VAT incorrectly capitalised in TB		1,358	5,110	6,468
Net book value c/f		43,117	35,767	78,884



D.3 Fixed asset additions

	General Pool	50% FYA	Non-qualifying	Revenue	Total
	£	£	£	£	£
Computers		1,979			1,979
Software		1,533			1,533
					0
	0	3,512	0	0	3,512
Capital items expensed					
	0	3,512	0	0	
	C.2	C.2			
CAA 1990 Pool					
Short Life Assets					
Expensive Cars					
Other Assets					
D.2					3,512



**D.4 Associated Companies**

---

	<b>Company</b>	<b>Trading/Dormant</b>
1	Input Inc (California)	Trading
2	Input Sarl (France)	Trading
3	Input K K (Japan)	Trading
4	Input GmbH (Germany)	Trading





# Inland Revenue

## Corporation Tax Notice of Determination

Reference  
174/51760 15746

Agent's reference  
6/ADS/CM4/05P

Name and address of company

THE SECRETARY  
INLET LTD

Agent

ADSL, 6 RAST & YOUNG  
AP-X PRIZA  
READING  
RG1 1YS

Accounting Period ending 31 / 12 / 1995

This notice gives details of determination(s) under Section 41A Taxes Management Act 1970.

The notice is addressed to the company as required by law. If an agent or adviser acts for the company in relation to taxation matters, it should be seen by him or her at once.

If you do not agree with the determination(s) you may appeal. An appeal must

The notes overleaf give further information.

- specify the grounds for making it
- be given by notice in writing within 30 days of the issue date of this notice shown below.

### Details of Amounts Determined

TRADE LOSSER INCURRED	£ 61734
PARTNER	ADS
MANAGER	
Capital allowances (other than those given in 2001) and available for surrender by way of group relief	
DATE ACKNOWLEDGED	
PASSED FOR THE	
management available for surrender by way of group relief	

LOSSES AVAILABLE AGAINST CURRENTLY GAINS

4 Charges on income available for surrender by way of group relief

£ 74458

HM Inspector of Taxes

CITY OF LONDON 3  
TDO  
21 JAN 2000  
5TH FLOOR, EUSTON TOWER  
256 EUSTON ROAD  
LONDON NW1 2UN

UT212A

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## INPUT MONTHLY PERFORMANCE REPORTS

Date Printed: 9/21/99

INPUT - Britain  
INCOME STATEMENT  
As of December 31, 1998

		Prepared: 20-Sep-99 Conv Rate 1.6
	<u>Pounds STG</u>	<u>US \$</u>
Revenues	757,169	1,211,470
Expenses		
Marketing & Sales	176,017	281,627
Operations	398,946	638,314
G&A***	291,094	465,750
Total	866,057	1,385,691
EBITDA *	(108,888)	(174,221)
Depreciation/Amortization	27,851	44,562
Interest Expense(Net)	(32,132)	(51,411)
EBT **	(104,607)	(167,371)
Taxes	-	-
Net Income	(104,607)	(167,371)

\* EBITDA: Earnings before interest, taxes, depreciation &amp; amortization.

\*\* EBT: Earnings before taxes.

\*\*\*G&amp;A: Includes Pds18,319 (\$29310) loss from discontinued operation (Ja



**INPUT - Britain**  
**BALANCE SHEET**  
**As of November 30, 1998**

Prepared: 11-Dec-98

ASSETS

## CURRENT ASSETS:

Cash and cash equivalents	STG	76,529
Accounts receivable, net		64,941
Inter-company receivable		281,221
Prepaid expenses		(4,071)
<b>TOTAL CURRENT ASSETS</b>		<b>418,620</b>

## PROPERTY &amp; EQUIPMENT:

Furniture and fixtures		40,543
Office equipment		90,154
Computer software		27,663
Leasehold improvements		54,240
		212,600
Accumulated depreciation		(134,107)
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>		<b>78,493</b>

## DEPOSITS

	STG	39,339
		<b>536,452</b>

LIABILITIES AND NET CAPITAL DEFICIENCY

## CURRENT LIABILITIES:

Accounts payable	STG	118,482
Inter-company payable		397,197
Notes Payable		
Accrued liabilities		121,730
Obligations under capital leases		
Income Taxes Payable		
Deferred revenue		50,778
<b>TOTAL CURRENT LIABILITIES</b>		<b>688,187</b>

## NET CAPITAL DEFICIENCY:

Common stock, no par value: 75,000,000 share authorized,		9,383
Accumulated deficit		37,926
Current year retained earnings		(199,044)
Cumulative translation adjustment		
<b>TOTAL NET CAPITAL DEFICIENCY</b>		<b>(151,735)</b>
	STG	<b>536,452</b>







**SARL INPUT**

**ETATS FINANCIERS**  
**au 31 Décembre 1998**

**24, rue du Recteur Poincaré**  
**75016 PARIS**

**RCS : PARIS B 347.726 440**  
**SIRET :347 726 440 00012**  
**APE : 741E**





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## BILAN ACTIF

RUBRIQUES	Montant Brut	Amortissements	Net 31/12/98 [12]	Net 31/12/97 [12]
Capital souscrit non appelé				
<b>IMMOBILISATIONS INCORPORELLES</b>				
Frais d'établissement				
Frais de recherche et développement				
Concessions, brevets, droits similaires				
Fonds commercial				
Autres immobilisations incorporelles				
Avances, acomptes/immobil.incorpor.				
<b>IMMOBILISATIONS CORPORELLES</b>				
Terrains				
Constructions				
Installations techniques, outillage				
Autres immobilisations corporelles	474 089	386 795	87 295	78 462
Immobilisations en cours				
Avances et acomptes				
<b>IMMOBILISATIONS FINANCIERES</b>				
Participations par M.E.				
Autres participations				
Créances rattachées à participations				
Autres titres immobilisés				
Prêts				
Autres immobilisations financières	24 702		24 702	24 702
<b>ACTIF IMMOBILISE</b>	<b>498 791</b>	<b>386 795</b>	<b>111 997</b>	<b>103 164</b>
<b>STOCKS ET EN-COURS</b>				
Stocks de matières premières				
Stocks d'en-cours de production biens				
Stocks d'en-cours production services				
Stocks produits intermédiaires, finis				
Stocks de marchandises				
Avances, acomptes versés sur commandes				
<b>CREANCES</b>				
Créances clients et comptes rattachés	946 362		946 362	1 346 361
Autres créances	115 938		115 938	
Capital souscrit, appelé non versé				
Valeurs mobilières de placement				
Disponibilités	65 725		65 725	196 534
<b>COMPTES DE REGULARISATION</b>				
Charges constatées d'avance	10 274		10 274	8 448
<b>ACTIF CIRCULANT</b>	<b>1 138 299</b>		<b>1 138 299</b>	<b>1 551 343</b>
Charges à répartir s/plrs exercices				
Primes remboursement des obligations				
Ecart de conversion actif				
<b>TOTAL GENERAL</b>	<b>1 637 091</b>	<b>386 795</b>	<b>1 250 296</b>	<b>1 654 507</b>



## BILAN PASSIF

RUBRIQUES	31/12/98 [12]	31/12/97 [12]
Capital social ou individuel dont versé 50 000	50 000	50 000
Primes d'émission, de fusion, d'apport,...		
Ecart de réévaluation dont écart équivalence		
Réserve légale		
Réserves statutaires, contractuelles		
Réserves réglementées dont oeuvres originales		
Autres réserves		
Report à nouveau	18 218	<201 392>
<b>RESULTAT DE L'EXERCICE</b>	<338 439>	219 610
Subventions d'investissement		
Provisions réglementées		
<b>CAPITAUX PROPRES</b>	<270 221>	68 218
Produits des émissions de titres participatifs		
Avances conditionnées		
<b>AUTRES FONDS PROPRES</b>		
Provisions pour risques	80 000	160 000
Provisions pour charges	10 500	
<b>PROVISIONS POUR RISQUES ET CHARGES</b>	90 500	160 000
<b>DETTES FINANCIERES</b>		
Emprunts obligataires convertibles		
Autres emprunts obligataires		
Emprunts et dettes auprès établissements de crédit		
Emprunts et dettes financ. divers dt emp.part.		
Avances et acomptes reçus sur commandes en cours		
<b>DETTES D'EXPLOITATION</b>		
Dettes fournisseurs et comptes rattachés	776 488	229 829
Dettes fiscales et sociales	414 229	589 537
<b>DETTES DIVERSES</b>		
Dettes sur immobilisations et comptes rattachés		
Autres dettes		
<b>COMPTES DE REGULARISATION</b>		
Produits constatés d'avance	239 300	606 924
<b>DETTES</b>	1 430 017	1 426 289
Ecart de conversion passif		
<b>TOTAL GENERAL</b>	1 250 296	1 654 507

Résultat de l'exercice en centimes

<338 438.58>





## COMPTE DE RESULTAT Première partie

RUBRIQUES	France	Export	31/12/98	31/12/97
			[12]	[12]
Ventes de marchandises				
Production vendue de biens				
Production vendue de services	3 171 992		3 171 992	5 166 886
<b>CHIFFRES D'AFFAIRES NETS</b>	3 171 992		3 171 992	5 166 886
Production stockée				
Production immobilisée				
Subventions d'exploitation				
Reprises amortissements-provis., transfert charges				
Autres produits				
<b>— PRODUITS D'EXPLOITATION</b>			3 171 992	5 166 886
Achats de marchandises [et droits de douane]				
Variation de stock de marchandises				
Achats matières premières et approvisionnements				
Variation de stock [matières premières,approvis.]				
Autres achats et charges externes			1 875 350	2 571 207
Impôts, taxes et versements assimilés			52 792	68 505
Salaires et traitements			1 028 437	1 451 921
Charges sociales			395 958	611 754
Dotations amortissements sur immobilisations			36 041	42 755
Dotations aux provisions sur immobilisations				
Dotations aux provisions sur actif circulant				
Dotations provisions pour risques et charges				
Autres charges			4 090	18 944
<b>— CHARGES D'EXPLOITATION</b>			3 392 668	4 765 087
<b>RESULTAT D'EXPLOITATION</b>			<220 676>	401 799
Bénéfice attribué ou Perte transférée				
Perte supportée ou Bénéfice transféré				
Produits financiers de participation				
Produits autres valeurs mobilières, créances immob.				
Autres intérêts et produits assimilés				
Reprises sur provisions et transferts de charges				
Différences positives de change				
Produits nets cession valeurs mobilières placement				
<b>— PRODUITS FINANCIERS</b>				
Dotations financières amortissements et provisions			10 500	
Intérêts et charges assimilées				
Différences négatives de change			190	45 090
Charges nettes cession valeurs mobil. placement				
<b>— CHARGES FINANCIERES</b>			10 690	45 090
<b>RESULTAT FINANCIER</b>			<10 690>	<45 090>
<b>RESULTAT COURANT AVANT IMPOTS</b>			<231 367>	356 709



	<b>SARL INPUT</b> Etats financiers au 31/12/98	Page 5
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## COMPTE DE RESULTAT Deuxième partie

RUBRIQUES	31/12/98 [12]	31/12/97 [12]
Produits exceptionnels sur opérations de gestion Produits exceptionnels sur opérations en capital Reprises sur provisions et transferts de charges	160 000	
<b>— PRODUITS EXCEPTIONNELS —</b>	160 000	
Charges exceptionnelles sur opérations de gestion Charges exceptionnelles sur opérations en capital Dotations exceptionnelles amortissements, provisions	80 000	
<b>— CHARGES EXCEPTIONNELLES —</b>	80 000	
<b>RESULTAT EXCEPTIONNEL</b>	80 000	
Participation salariés aux fruits de l'expansion Impôts sur les bénéfices	187 072	137 099
<b>TOTAL DES PRODUITS</b>	3 331 992	5 166 886
<b>TOTAL DES CHARGES</b>	3 670 430	4 947 276
<b>BENEFICE OU PERTE</b>	<338 439>	219 610



<b>ANNEXE</b>
---------------



FAITS SIGNIFICATIFS, REGLES ET METHODES COMPTABLES

1. Faits significatifs, règles et méthodes comptables.

Les Comptes Annuels sont établis conformément aux règles édictées par le PCG 1982 et aux principes comptables fondamentaux ( prudence, permanence des méthodes, indépendance des exercices) à l'exception du principe de continuité d'exploitation qui n'est plus respecté, une décision d'arrêt d'activité étant intervenue en décembre 1998. L'arrêt de l'activité serait effectif à la fin du premier semestre 1999.

Les éléments inscrits en comptabilité sont évalués selon la méthode des coûts historiques.

Les principales méthodes comptables utilisées sont les suivantes

1.1 Immobilisations corporelles

Les amortissements pour dépréciation sont calculés selon le plan suivant :

- instal. générales, agencé divers : durée : 5 ans.  
mode : linéaire
- matériel et mobilier de bureau : durée : 5 ans.  
mode : linéaire
- matériel Informatique : durée : 3 ans.  
mode : linéaire





<b>FAITS SIGNIFICATIFS, REGLES ET METHODES COMPTABLES SUITE</b>
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#### **1.2. Opérations en devises**

En cours d'exercice les transactions en devises sont enregistrées pour leur contre-valeur en FRF, au cours interne de change.

Les dettes, et créances en devises figurent au bilan pour leur contre-valeur au cours interne de fin de mois. La différence résultant de l'actualisation des dettes et créances en devises au cours de fin d'exercice, n'est pas constatée.

#### **1.3. Provision pour retraite**

Aucune provision pour indemnités de fin de carrière, compléments de retraite des salariés n'a été constituée dans les comptes sociaux.

#### **1.4 Notion de résultat courant et de résultat exceptionnel**

Les éléments des activités ordinaires même exceptionnels par leur fréquence ou leur montant sont compris dans le résultat courant. Seuls les éléments ne se rapportant pas aux activités ordinaires de l'entreprise ont été comptabilisés dans le résultat exceptionnel.



NOTES RELATIVES A CERTAINS POSTES DU BILAN

2. Notes relatives à certains postes du bilan

2.1. Mouvements de l'actif immobilisé

Les variations de la valeur brute des immobilisations résultent :

- pour les immobilisations corporelles, d'acquisitions pour FF.44.873.

2.2. Etats des échéances

Créances

L'échéance de l'ensemble des créances est à moins.

Dettes

L'échéance de l'ensemble des dettes est inférieure à un an.

2.3. Comptes de régularisation

Produits constatés d'avance

Les produits constatés d'avance s'élèvent à FF.239.300. Ils représentent des prestations de services facturées par avance.

Charges constatées d'avance

Les charges constatées d'avance ressortent à FF.10.274 et sont constituées d'abonnement et de maintenance payés d'avance.

2.4. Ecart de conversion

Il n'y a pas de poste "écart de conversion": les écarts de change résultant de l'évaluation au cours de clôture des transactions libellées en devises n'ont pas été constatés.



NOTES RELATIVES A CERTAINS POSTES DU BILAN SUITE

2.5. Comptes rattachés

Produits à recevoir

Les produits à recevoir sont constitués d'études à facturer pour FF.115.776.

Charges à payer

Les dettes provisionnées correspondent à des dettes d'exploitation fournisseurs pour FF.49.343 et à des dettes fiscales et sociales pour FF.124.246.

2.6. Composition du capital social

Le capital social est composé de 500 parts de valeur nominale FF. 100.

2.7. Entreprises liées

Les postes comprenant des montants relatifs aux entreprises susceptibles d'entrer dans un ensemble consolidable, à la clôture, sont les suivants :

- dettes fournisseurs, pour FF.639.928.

2.8. Mouvements de provision

Une provision pour risque, non déductible, à fait l'objet d'une dotation en 1995 de FF.160.000. Elle concernait un contrôle fiscal contesté en juin 1996. Cette provision a été reprise au cours de l'année 1998 pour un montant de FF.160.00 suite au paiement auprès du trésor public.

Une provision non déductible pour arrêt d'activité a été constituée au 31 décembre 1998 pour FF.80.000.



**AUTRES INFORMATIONS**

**4. Autres informations**

**4.1. Ventilation de l'effectif moyen**

L'effectif moyen employé et mis à la disposition de l'entreprise au cours de l'exercice a été de 3 personnes, dont 2 cadres et 1 employées.

**4.2. Rémunération des dirigeants**

La rémunérations des organes de direction n'est pas communiquée car cela conduirait indirectement à mentionner une rémunération individuelle.

**4.3. Crédit bail**

Il n'y a plus de matériel en crédit bail depuis septembre 1997.

**4.4. Identité de la Société-Mère**

La société fait partie d'un groupe dont la Société-Mère INPUT Corp est une entité de nationalité Américaine. Son siège est sis Mountain view, Californie 94043.





	<b>SARL INPUT</b> Etats financiers au 31/12/98	Page 12
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**DETAIL des  
COMPTES**



# **DETAIL DES COMPTES D'ACTIF**

	12/98	12/97	Ecart	% n/n-1
<b>IMMOBILISATIONS CORPORELLES</b>	87 294.73	78 462.46	8 832.27	11.26
<b>AUTRES IMMOBILISAT. CORPORELLES</b>	474 089.31	429 216.31	44 873.00	10.45
218100 Installations générales div	57 015.93	57 015.93		
218300 Matériel de bureau et infor	344 366.42	334 691.42	9 675.00	2.89
218301 Matériel Informatique	72 706.96	37 508.96	35 198.00	93.84
<b>AUTRES IMMOBILISAT. CORPORELLES</b>	<386 794.58>	<350 753.85>	<36 040.73>	10.28
281810 Amortissement des Agencemen	<53 615.61>	<50 731.89>	<2 883.72>	5.68
281830 Amortissement du Mat de Bur	<294 343.83>	<266 029.64>	<28 314.19>	10.64
281831 Amortissement du Mat Inform	<38 835.14>	<33 992.32>	<4 842.82>	14.25

	12/98	12/97	Ecart	% n/n-1
<b>IMMOBILISATIONS FINANCIERES</b>	24 702.00	24 702.00		
<b>AUTRES IMMOBILISAT. FINANCIERES</b>	24 702.00	24 702.00		
275100 Dépôts	24 702.00	24 702.00		

	12/98	12/97	Ecart	% n/n-1
<b>CLIENTS ET DIVERS</b>	946 361.70	1 346 361.22	<399 999.52>	<29.71>
<b>CLIENTS ET COMPTES RATTACHES</b>	830 585.70	1 346 361.22	<515 775.52>	<38.31>
411100 Clients-Biens, prestations	830 585.70	690 378.83	140 206.87	20.31
411101 Interco Germany		82 214.95	<82 214.95>	<100.00>
411103 Interco Us		516 863.99	<516 863.99>	<100.00>
411104 Interco Corp.		56 903.45	<56 903.45>	<100.00>
<b>CLIENTS-PRODUITS NON FACTURES</b>	115 776.00		115 776.00	
418100 Clients - factures à établi	115 776.00		115 776.00	

	12/98	12/97	Ecart	% n/n-1
<b>AUTRES CREANCES</b>	115 938.17		115 938.17	
<b>ETAT ET COLLECTIVITES</b>	115 938.17		115 938.17	
444000 Etat - impôts sur les bénéf	93 477.00		93 477.00	
445510 Tva à Décaisser	854.00		854.00	
445660 Tva déductible sur B/S	13 178.79		13 178.79	
445860 Tva sur Fnp	8 428.38		8 428.38	



	<b>SARL INPUT</b> Etats financiers au 31/12/98	Page 14
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## DETAIL DES COMPTES D'ACTIF

(suite)

	12/98	12/97	Ecart	% n/n-1
<b>TRESORERIE ET DIVERS</b>	65 725.41	196 533.53	<130 808.12>	<66.56>
<b>DISPONIBILITES</b>	65 725.41	196 533.53	<130 808.12>	<66.56>
512100 Comptes en francs	63 725.41	194 533.53	<130 808.12>	<67.24>
531100 Caisse en francs	2 000.00	2 000.00		

	12/98	12/97	Ecart	% n/n-1
<b>COMPTES DE REGULARISATION</b>	10 274.02	8 448.00	1 826.02	21.61
<b>CHARGES CONSTATEES D'AVANCE</b>	10 274.02	8 448.00	1 826.02	21.61
486001 Charges de structure d'avan	10 274.02	8 448.00	1 826.02	21.61



## DETAIL DES COMPTES DE PASSIF

*Pré-12/98*

	12/98	12/97	Ecart	% n/n-1
<b>CAPITAUX PROPRES</b>	<b>&lt;270 220.82&gt;</b>	<b>68 217.76</b>	<b>A) &lt;338 438.58&gt;</b>	<b>&lt;496.12&gt;</b>
<b>CAPITAL</b>	50 000.00	50 000.00		
101300 Capital souscrit-appelé, ve	50 000.00	50 000.00		
<b>REPORT A NOUVEAU</b>	18 217.76	<201 392.20>	219 609.96	<109.05>
119000 Report à nouveau débiteur	18 217.76	<201 392.20>	219 609.96	<109.05>
<b>RESULTAT DE L'EXERCICE</b>	<338 438.58>	219 609.96	<558 048.54>	<254.11>
120000 Résultat de l'exercice (bén		219 609.96	<219 609.96>	<100.00>
129000 Résultat de l'exercice (per	<338 438.58>		<b>B) &lt;338 438.58&gt;</b>	<b>-100.00%</b>

*A - B = (ff 270 221) Curs. Loss input's*

	12/98	12/97	Ecart	% n/n-1
<b>PROVISIONS POUR RISQUES &amp; CHARGES</b>	<b>90 500.00</b>	<b>160 000.00</b>	<b>&lt;69 500.00&gt;</b>	<b>&lt;43.44&gt;</b>
<b>PROVISIONS POUR RISQUES</b>	80 000.00	160 000.00	<80 000.00>	<50.00>
151800 Autres provisions pour risq	80 000.00	160 000.00	<80 000.00>	<50.00>
<b>PROVISIONS POUR CHARGES</b>	10 500.00		10 500.00	
155000 Provisions pour impôts	10 500.00		10 500.00	

	12/98	12/97	Ecart	% n/n-1
<b>FOURNISSEURS</b>	<b>776 487.51</b>	<b>229 828.73</b>	<b>546 658.78</b>	<b>237.85</b>
<b>FOURNISSEURS ET COMPTES RATTACHES</b>	727 144.67	172 828.73	554 315.94	320.73
401100 Fournisseurs biens,prestat.	87 214.98	17 356.36	69 858.62	402.50
401101 Input usa (3020)	96 573.25		96 573.25	
401102 Input ltd London uk (3030)	69 316.50	155 472.37	<86 155.87>	<55.42>
401104 Input Corporate	261 900.40		261 900.40	
401106 Fournisseurs Inter-co US	212 139.54		212 139.54	
<b>FOURNISSEURS FACT. NON PARVENUES</b>	49 342.84	57 000.00	<7 657.16>	<13.43>
408100 Fournisseurs Fact à Recevoir	49 342.84	57 000.00	<7 657.16>	<13.43>





## DETAIL DES COMPTES DE PASSIF

(suite)

	12/98	12/97	Ecart	% n/n-1
<b>DETTES FISCALES ET SOCIALES</b>	<b>414 229.34</b>	<b>589 536.72</b>	<b>&lt;175 307.38&gt;</b>	<b>&lt;29.74&gt;</b>
<b>PERSONNEL ET COMPTES RATTACHES</b>	<b>83 405.87</b>	<b>59 160.00</b>	<b>24 245.87</b>	<b>40.98</b>
428200 Dettes provisionnées congés	53 346.00	37 560.00	15 786.00	42.03
428600 Autres charges à payer	30 059.87	21 600.00	8 459.87	39.17
<b>SECURITE SOC ET ORGANISMES SOCX</b>	<b>170 233.00</b>	<b>249 232.39</b>	<b>&lt;78 999.39&gt;</b>	<b>&lt;31.70&gt;</b>
437000 Autres organismes sociaux	170 233.00	249 232.39	<78 999.39>	<31.70>
<b>ETAT ET COLLECTIVITES</b>	<b>160 590.47</b>	<b>281 144.33</b>	<b>&lt;120 553.86&gt;</b>	<b>&lt;42.88&gt;</b>
444000 Etat - impôts sur les bénéf		98 160.00	<98 160.00>	<100.00>
445510 Tva à Décaisser		54 160.00	<54 160.00>	<100.00>
445660 Tva déductible sur B/S		4 538.53	<4 538.53>	<100.00>
445710 Tva Collectée	140 814.47	124 285.80	16 528.67	13.30
445870 Tva S/Fae	19 776.00		19 776.00	

	12/98	12/97	Ecart	% n/n-1
<b>COMPTES DE REGULARISATION</b>	<b>239 300.00</b>	<b>606 924.00</b>	<b>&lt;367 624.00&gt;</b>	<b>&lt;60.57&gt;</b>
<b>PRODUITS CONSTATES D'AVANCE</b>	<b>239 300.00</b>	<b>606 924.00</b>	<b>&lt;367 624.00&gt;</b>	<b>&lt;60.57&gt;</b>
487000 Produits constatés d'avance	239 300.00	606 924.00	<367 624.00>	<60.57>



## INPUT MONTHLY PERFORMANCE REPORTS

Date Printed: 9/20/99

INPUT - France  
 INCOME STATEMENT  
 As of December 31, 1998

Prepared: 20-Sep-99

	Conv Rate	
	6	
	FF	US \$
Revenues	2,640,651	440,109
Expenses		
Marketing & Sales	948,254	158,042
Operations	656,766	109,461
G&A	1,498,029	249,672
Total	3,103,049	517,175
EBITDA *	(462,398)	(77,066)
Depreciation/Amortizatio	36,041	6,007
Interest Expense(Net)	-	-
EBT **	(498,439)	(83,073)
Taxes	-	-
Net Income	(498,439)	(83,073)

\* EBITDA. Earnings before interest, taxes, depreciation &amp; amortization.

\*\* EBT. Earnings before taxes.



**INPUT - France**  
**BALANCE SHEET**  
**As of November 30, 1998**

Prepared. 11-Dec-98

11/30/98

ASSETS

## CURRENT ASSETS:

Cash and cash equivalents	FF	98,599
Accounts receivable, net		790,456
Inter-company receivable		332,725
Prepaid expenses		10,943
<b>TOTAL CURRENT ASSETS</b>		<b>1,232,723</b>

## PROPERTY &amp; EQUIPMENT:

Furniture and fixtures		57,016
Office equipment		344,366
Leasehold improvements		72,707
		474,089
Accumulated depreciation		(400,799)
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>		<b>73,290</b>

## DEPOSITS

		24,702
FF		<u>1,330,715</u>

LIABILITIES AND NET CAPITAL DEFICIENCY

## CURRENT LIABILITIES:

Accounts payable	FF	68,284
Inter-company payable		463,698
Notes Payable		
Accrued liabilities		1,949
Obligations under capital leases		
Income Taxes Payable		
Deferred revenue		1,499,955
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>2,033,886</u></b>

## NET CAPITAL DEFICIENCY:

Common stock, no par value: 75,000,000 share authorized,		228,218
Accumulated deficit		(931,389)
Current year retained earnings		
Cumulative translation adjustment		(703,171)
<b>TOTAL NET CAPITAL DEFICIENCY</b>	FF	<b><u>1,330,715</u></b>









## INPUT MONTHLY PERFORMANCE REPORTS

Date Printed: 9/20/99

**INPUT - Germany**  
**INCOME STATEMENT**  
 As of December 31, 1998

Prepared: 20-Sep-99

	Conv Rate	
	DM	US \$
<b>Revenues ***</b>	950,928	528,293
<b>Expenses</b>		
Marketing & Sales	313,167	173,982
Operations	200,397	111,332
G&A	274,964	152,758
Total	788,528	438,071
<b>EBITDA *</b>	162,400	90,222
Depreciation/Amortization	9,158	5,088
Interest Expense(Net)	(48,234)	(26,797)
<b>EBT **</b>	201,476	111,931
Taxes	57,984	32,213
<b>Net Income</b>	143,492	79,718

\* EBITDA. Earnings before interest, taxes, depreciation &amp; amortization.

\*\* EBT. Earnings before taxes.

\*\*\*. Revenue include prior year tax refunds totalling DM 47970  
Received in 1998.



**INPUT - Germany**  
**BALANCE SHEET**  
**As of November 30, 1998**

Prepared: 11-Dec-98

ASSETS

11/30/98

## CURRENT ASSETS:

Cash and cash equivalents	DM	70,132
Accounts receivable, net		164,378
Inter-company receivable		1,295,948
Prepaid expenses		
<b>TOTAL CURRENT ASSETS</b>		<b>1,530,458</b>

## PROPERTY &amp; EQUIPMENT:

Furniture and fixtures		2,555
Office equipment		32,551
Leasehold improvements		9,588
		44,694
Accumulated depreciation		(19,726)
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>		<b>24,968</b>

## DEPOSITS

	DM	0
		<u>1,555,426</u>

LIABILITIES AND NET CAPITAL DEFICIENCY

## CURRENT LIABILITIES:

Accounts payable	DM	73,704
Inter-company payable		0
Notes Payable		
Accrued liabilities		453,777
Obligations under capital leases		
Income Taxes Payable		
Deferred revenue		1,170,061
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,697,542</b>

## NET CAPITAL DEFICIENCY:

Common stock, no par value: 75,000,000 share authorized,		50,000
Equity Investment		32,865
Accumulated deficit		145,391
Current year retained earnings		(370,372)
Cumulative translation adjustment		
<b>TOTAL NET CAPITAL DEFICIENCY</b>		<b>(142,116)</b>
	DM	<u>1,555,426</u>







## INPUT MONTHLY PERFORMANCE REPORTS

Date Printed: 9/21/99

INPUT - KK  
 INCOME STATEMENT  
 As of December 31, 1998

Prepared: 20-Sep-99

		Conv Rate
		120
	Yen	US \$
Revenues	10,546,250	87,885
Expenses		
Marketing & Sales	22,109,893	184,249
G&A***	(87,067,094)	(725,559)
Total	(64,957,201)	(541,310)
EBITDA *	75,503,451	629,195
Depreciation/Amortization	-	-
Interest Expense(Net)	(1,246,950)	(10,391)
EBT **	76,750,401	639,587
Taxes	672,800	5,607
Net Income	76,077,601	633,980

\* EBITDA: Earnings before interest, taxes, depreciation &amp; amortization.

\*\* EBT: Earnings before taxes.

\*\*\*G&A Includes a gain of yen 100,974,320 (\$805,745) due to  
intercompany payable write off due to US, and (\$29,310) due to Britain





**From:** Sheila Collins <scollins@input.com>  
**To:** Pat Cunningham <patc@input.com>  
**Date:** Monday, March 29, 1999 9:57 PM  
**Subject:** Japan Final 1998

JN ✓  
Cengle

Pat,

Attached is the final balance sheet for Japan and adjustments for Japan. These should be forwarded to the Accountant in Japan. Thanks  
Sheila



**INPUT KK**  
**BALANCE SHEET**  
As of December 31st, 1998

<b>ASSETS</b>	yen	
Cash		2,450,345
Accounts Receivable		1,617,000
Fixed Assets-Net		75,598
<b>TOTAL ASSETS</b>		<b>4,142,943</b>
 <b>LIABILITIES</b>		
Intercompany Payables		89,040,985
Taxes Payable		1,094,080
Misc. Accrual		3,483,560
<b>TOTAL CURRENT LIABILITIES</b>		<b>93,618,625</b>
 <b>EQUITY</b>		
Equity Investment		10,000,000
Accumulated deficit		(99,475,682)
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>4,142,943</b>



Japan -Interco Balances @ 12/31/98	1998
	yen
Balance per Japan Financial Report	<b>86,904,839</b>
<b>ADJUSTMENTS TO BE BOOKED BY JAPAN-INTER-CO PAYABLE</b>	
Currency adjustment from 1997	1,587,661
Currency adjustment 1998 activity	201,116
Postage paid by US	223,419
Adjust Corp/Central Charge	123,960
 Final Total	 <b>89,040,995</b>

<b>RETAINED EARNINGS</b>	
PER JAPAN Undisposed loss @ 12/97	74,924,635
Loss 1998	22,414,901
Sub total	97,339,536
Adjustments to Intercompany payable	2,136,145
 <b>FINAL RETAINED EARNINGS @ 12/31/98</b>	 <b>99,475,681</b>



**INPUT – A CALIFORNIA CORPORATION**

**STOCKHOLDERS**

**MARCH 1999**

William H. Bryant, Esq.  
Bryant, Clohan, Eller, Maines & Baruh,  
LLP  
550 Hamilton Avenue, Suite 220  
Palo Alto, CA 94301

Edward I. Metz  
13 Lenape Drive  
Montville, NJ 07045

Peter & Patricia Cunningham  
P.O. Box 1698,  
725 Britannia Drive  
George Town, Grand Cayman  
Cayman Islands, BWI

Victor Millar  
4123 North Ridgeview Road  
McLean, VA 22102

Renee Fenstermaker  
112 W. O'Connor Street  
Menlo Park, CA 94025

Sterling Williams  
Sterling Software  
8080 N. Central Expressway, Suite 1100  
Dallas, TX 75206

Bernard Goldstein  
2 Manursing Way  
Rye, NY 10580





**INPUT – A CALIFORNIA CORPORATION**

**BOARD OF DIRECTORS**

**MARCH 1999**

**Peter A. Cunningham**

Address:

Telephone

Birth Date:

Occupation:

Chairman of the Board, Director  
P.O. Box 1698, 725 Britannia Drive  
George Town, Grand Cayman  
Cayman Islands, BWI  
(345) 945-5725  
July 13, 1941  
President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(650) 961-3300

**Patricia Cunningham**

Address:

Telephone

Birth Date:

Occupation:

Secretary, Treasurer, Director  
P.O. Box 1698, 725 Britannia Drive  
George Town, Grand Cayman  
Cayman Islands, BWI  
(345) 945-5725  
February 15, 1945  
Vice President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(650) 961-3300

**William H. Bryant**

Occupation:

Telephone

Director  
Attorney  
Bryant, Clohan, Ellert, Maines & Baruh, LLP  
550 Hamilton Avenue, Suite 220  
Palo Alto, Ca. 94301  
(650)-961-3300



# INPUT – A CALIFORNIA CORPORATION

## COMPANY OFFICERS

MARCH 1999

**Peter A. Cunningham**

Address:

Telephone:

Birth Date:

Occupation:

Chairman of the Board, Director  
P.O. Box 1698, Britannia Villa 631  
George Town, Grand Cayman  
Cayman Islands, BWI  
(345) 945-5725  
July 13, 1941  
President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(415) 961-3300

**Patricia Cunningham**

Address:

Telephone:

Birth Date:

Occupation:

Secretary, Treasurer, Director  
P.O. Box 1698, Villa 631  
George Town, Grand Cayman  
Cayman Islands, BWI  
(345) 945-5725  
February 15, 1945  
Vice President  
INPUT  
1881 Landings Drive  
Mountain View, Ca. 94043  
(415) 961-3300

**Kevin Plexico**

Address:

Telephone:

Occupation:

Vice President (1/98)  
43983 Lords Valley Terrace  
Ashburn, VA 20147  
(703) 858-0565  
Chief Technology Office  
INPUT  
1921 Gallows Road, Suite 250  
Vienna, VA 22182  
(703) 847-6870



# **INPUT Limited**

## **Accounts**

31 December 1999

*Registered No. 1470416*









CONFIDENTIAL

9/3/00  
**INPUT**

**INPUT Consolidated**  
**FINANCIAL STATEMENTS**

**FINAL RESULTS**  
**For the Period Ending December 31, 1999**

Compiled September 1, 2000  
from reports  
Prepared @ April 18, 2000

**CONFIDENTIAL**

INPUT  
14900 Conference Center Drive, Suite 225  
Chantilly, VA 20151  
(703) 378-8740

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INPUT  
**CONSOLIDATED BALANCE SHEET**  
 As of December 31st, 1999  
 (CONTINUING/DISCONTINUED OPERATIONS)

	Prepared: 4/12/00	
	12/31/99	12/31/98
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 212,694	233,438
Accounts receivable, net of allowance for doubtful accounts of \$1,125 (\$1,125 in 1998)	517,609	878,525
Prepaid expenses	0	3,131
TOTAL CURRENT ASSETS	730,303	1,115,094
PROPERTY & EQUIPMENT:		
Furniture and fixtures	25,669	280,391
Office equipment	262,571	1,289,444
Leasehold improvements	74,042	111,907
	362,282	1,681,742
Accumulated depreciation	(280,867)	(1,345,118)
TOTAL PROPERTY & EQUIPMENT	81,415	336,624
DEPOSITS	27,066	94,774
	\$ 838,784	1,546,492
<u>LIABILITIES AND NET CAPITAL DEFICIENCY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 121,953	262,862
Notes payable	1,000,000	1,000,000
Accrued liabilities	141,074	527,871
Obligations under capital leases	15,215	20,342
Income taxes payable	19,891	38,403
Deferred revenue	547,374	1,255,808
TOTAL CURRENT LIABILITIES	1,845,507	3,105,286
NET CAPITAL DEFICIENCY:		
Common stock, no par value: 75,000,000 share authorized	48,825	60,875
Accumulated deficit	(1,055,548)	(1,619,219)
TOTAL NET CAPITAL DEFICIENCY	(1,006,723)	(1,558,344)
	\$ 838,784	1,546,942



INPUT  
**CONSOLIDATED INCOME STATEMENT**  
**As of December 31st, 1999**  
**(CONTINUING & DISCONTINUED OPERATIONS)**

Prepared: 4/12/00

	<u>Discontinued Operations</u>	<u>Continuing Operations</u>	<u>CONSOLIDATED OPERATIONS</u>
REVENUES	\$ 61,214	\$ 3,111,216	\$ 3,172,430
EXPENSES			
Salaries, Wages, Fringe Benefits Benefits and Consulting	5,226	1,326,909	1,332,135
Facilities, Communications and Other Costs	273,281	1,018,028	1,291,309
TOTAL EXPENSES	<u>278,507</u>	<u>2,344,937</u>	<u>2,623,444</u>
INCOME (LOSS) from Operations	\$ (217,293)	\$ 766,279	\$ 548,986
LOSS (GAIN) from Discontinued operations (1)	(158,995)	158,995	0
Interest & Other Income (Expenses)	1,157	13,527	14,684
INCOME (LOSS) Before Taxes	<u>\$ (57,141)</u>	<u>\$ 620,811</u>	<u>\$ 563,670</u>
Tax Provision	0	0	0
NET INCOME (LOSS)	<u>\$ (57,141)</u>	<u>\$ 620,811</u>	<u>\$ 563,670</u>

(1) French & Japanese Subsidiaries closed as of December 1999

British & German Subsidiaries to finalize closure in 2000 (In 2000 residual expenses only)



INPUT  
CONSOLIDATED STATEMENT OF NET CAPITAL DEFICIENCY  
Years ended December 31, 1999 and 1998

	<u>Common stock</u>		Prepared: 4/12/00		
	<u>Number of shares issued and outstanding</u>	<u>Amount</u>	<u>Accumulated deficit</u>	<u>Cumulative translation adjustment</u>	<u>Net capital deficiency</u>
Balance at December 31, 1997	835,500	\$ 57,675	\$ (1,094,031)	\$ 83,419	\$ (952,937)
Issuance of common stock	5,000	4,000			4,000
Repurchase of common stock	(1,000)	(800)			(800)
Accumulated translation adjustment for the year				3,090	3,090
Net Income			<u>(611,697)</u>		<u>(611,697)</u>
Balance at December 31, 1998	<u>\$ 839,500</u>	<u>\$ 60,875</u>	<u>\$ (1,705,728)</u>	<u>\$ 86,509</u>	<u>\$ (1,558,344)</u>
Prior yr adjustment					0
Issuance of common stock					0
Repurchase of common stock	(19,000)	(12,050)			(12,050)
Accumulated translation adjustment for the year				0	0
Net Income			563,671		563,671
Balance at December 31, 1999	<u>820,500</u>	<u>\$ 48,825</u>	<u>\$ (1,142,057)</u>	<u>\$ 86,509</u>	<u>\$ (1,006,723)</u>





**INPUT Limited**  
year ended 31 December 1999

	<i>Notes</i>	<i>1999</i> £	<i>1998</i> £
<b>TURNOVER</b>		16,741	789,301
Administrative expenses		39,120	(866,799)
<b>OPERATING (LOSS)/PROFIT</b>		<u>55,861</u>	<u>(77,497)</u>
Interest receivable		-	-
Interest payable		-	(32)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>55,861</u>	<u>(77,529)</u>
Tax on profit/(loss) on ordinary activities		(16,883)	(8,758)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>38,978</u>	<u>(86,287)</u>
<b>RETAINED PROFIT BROUGHT FORWARD</b>		<u>(48,361)</u>	<u>37,926</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>(9,383)</u>	<u>(48,361)</u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses other than those shown in the profit and loss account above.



**INPUT Limited**  
**year ended 31 December 1999**

	<i>Notes</i>	<i>1999</i> £	<i>1998</i> £
<b>FIXED ASSETS</b>			
Tangible fixed assets		-	78,885
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Debtors			389,253
Cash at bank and in hand		-	40,557
		<hr/>	<hr/>
		-	429,810
<b>CREDITORS: amounts falling due within one year</b>		-	(547,673)
		<hr/>	<hr/>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		-	(117,863)
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		-	(38,978)
		<hr/>	<hr/>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Taxation		-	-
		<hr/>	<hr/>
		-	(38,978)
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		2	2
Share premium account		9,381	9,381
Profit and loss account		(9,383)	(48,361)
		<hr/>	<hr/>
		-	(38,976)
		<hr/>	<hr/>













## CORPORATE PROFILE

### I. INPUT

1. NAME

INPUT, a NEVADA Corporation

2. ADDRESS (@ 5/00)

14900 Conference Center Drive, Suite 225  
Chantilly, Virginia, 20151  
Tel: (703) 378-8740  
Fax: (703) 378-8804  
County of Fairfax

3. INCORPORATION DATE

Incorporation:	August 23, 2000
INPUT a California Corporation merged into the Nevada Corporation	January 1, 2001

4. OWNERSHIP

Authorized Share Issue @ August 23, 2000:	7,500,000
Authorized Shares increased @ February 15, 2002:	20,000,000
Stock Split 10 for 1 @ January 10, 2002:	
Shares Outstanding:	Refer to Current Share Register

5. SUBSIDIARIES

VIRGINIA: INPUT, Inc. Authorized to do Business in the State of Virginia

January 6 1994 *INPUT, a California Corporation Authorized to do business in the State of Virginia as INPUT, Inc.*

January 1, 2001 INPUT, a Nevada Corporation, assumed the assets and liabilities of INPUT, a California Corporation:  
- Annual Registration Notice filed in May, 2001 with the State of Virginia, amended to reflect change from California to Nevada as of January 1, 2001.

6. FISCAL YEAR

Year ending December 31



7. **TAX IDENTIFICATION NUMBER**

Federal: 54-2015621  
State – VA SIT: 0019942759  
State – VA SUI: 0006611249

Following Tax ID Numbers are for Payroll ID purposes only, for employees residing in that State:

State – DC SIT:	54-2015621	SUI:	N/A
State – MD SIT:	1012925-0	SUI:	0074016294
State – PA SIT:	9091 3750	SUI:	28-13730-3
State – WV SIT:	54-201-5621-001	SUI:	N/A

8. **REGISTERED AGENT/OFFICE**

The Corporation Trust Company of Nevada  
6100 Neil Road, Suite 500  
Reno, NV 89511

9. **STATUTORY AUDITORS**

ADVISORS:  
Ernst & Young  
1451 California Avenue  
Palo Alto, CA 94304  
Tel: (415) 496-1600

TAX PREPARERS:  
Jeffrey M. Kirkendall  
Mohler, Nixon & Williams  
42 West Campbell Avenue  
CA 95008-1042  
T: (408) 364-3000  
F: (408) 866-2559  
E: jeff@mnwcpas.com

10. **LEGAL COUNSEL**

General Counsel:  
William H. Bryant  
Bryant, Clohan, & Baruh  
550 Hamilton Avenue, Suite 220  
Palo Alto, CA 94301  
Tel: (650) 324-1606  
Fax: (650) 324-4613

Trademark/Copyright Counsel:  
George Limbach  
Gray Cary Ware & Freidenrich  
1755 Embarcadero Road  
Palo Alto, CA 94303-3340  
Tel: (650) 8433-2434  
Fax: (650) 320-7401



## 11. DIRECTORS

DIRECTORS: No. Authorized: 5 @ August 23, 2000  
AMENDMENT TO BYLAWS: 6 @ December 18, 2001  
- Peter A. Cunningham (CA: 12/29/76)  
- Patricia E. Cunningham (CA: 12/29/76)  
- William H. Bryant (CA: 03/20/81)  
- Kevin Plexico (CA: 11/18/99)  
- David Heinemann (CA: 04/13/00)  
- Thomas Hewitt (NV: 12/18/01)

### ELECTED OFFICERS:

- Peter A. Cunningham, President, Chairman, Treasurer (CA: 12/29/76)
- Patricia E. Cunningham, Secretary, (CA: 12/29/76)

Statutory Minute Book: Original: Bryant, Clohan, Etc.  
Copy: Patricia Cunningham  
Corporate Seal: Patricia Cunningham (kept at CI Home)

## 12. BOARD/AGM MEETINGS

BOD  
AGM  
NOTICE of MEETINGS:

- 4 Quarterly Meetings (Normally)
- 1 Statutory Meeting on date fixed by the Board  
Not less than five (5) nor more than sixty (60) days  
before the date of the meeting.



### 13. BANK ACCOUNTS

#### BANK ACCOUNTS - INPUT INC - VIRGINIA

i. **Bank of America**  
10440 Main Street  
Fairfax, VA 22030  
Mail Stop: VA9-550-01-03  
Tel: (703) 319-4270

**Main Operating A/C:** No: 00 411 929 7975  
**Routing Number:** 051 000 017  
**Opened** 1/13/00  
**Signatories @ 7/26/01\***

Peter A. Cunningham  
Patricia Cunningham  
Kevin Plexico \*  
Albert Nekimken \*  
Douglas Strahan \*

**Corporate Checking  
- Zero Balance A/C:**  
**Opened** 4/10/00  
**Signatories @ 4/10/00\***

No: 00 411 929 8534

Peter A. Cunningham  
Patricia Cunningham  
Kevin Plexico \*

**Bus. Investment A/C:**  
**Routing Number:**  
**Opened** 2/9/00  
**Signatories @ 7/26/01\***

No: 00 411 921 9173  
051 000 017

Peter A. Cunningham  
Patricia Cunningham  
Kevin Plexico \*  
Albert Nekimken \*  
Douglas Strahan

**Lease Deposit A/C:**  
**Opened** 3/3/00  
**Signatories @ 3/3/00\***

No: 3023678

Peter A. Cunningham  
Patricia Cunningham  
Kevin Plexico \*

**Wire Transfers Authorizations (ETF):**  
**Dated:** 7/26/01  
**Signatories**

Douglas Strahan  
Patricia Cunningham  
Kevin Plexico

\* Bank will not restrict Sigs.  
\*\*\*





**INPUT - A CALIFORNIA CORPORATION**

**STOCKHOLDERS**

**SEPTEMBER 2000**

William H. Bryant, Esq.  
Bryant, Clohan, Ott, Maines & Baruh, LLP  
550 Hamilton Avenue, Suite 220  
Palo Alto, CA 94301  
(650) 324-1606

Edward I. Metz  
13 Lenape Drive  
Montville, NJ 07045  
(210) 263-2980

Peter & Patricia Cunningham  
P.O. Box 30998SMB  
725 Britannia Drive  
Grand Cayman  
Cayman Islands, BWI  
(345) 945-5725

Victor Millar  
4540 Los Pinos  
PO Box 2606  
Rancho Santa Fe, CA 92067  
(858) 759-7140

Bernard Goldstein  
2 Manursing Way  
Rye, NY 10580  
(914) 967-0410

Sterling Williams  
4241 Lorraine  
Dallas, TX 75205  
(214) 522-7247



**INPUT – A CALIFORNIA CORPORATION**

**BOARD OF DIRECTORS**

**SEPTEMBER 2000**

**Peter A. Cunningham**

Address:

Telephone:

Birth Date:

Occupation:

Chairman of the Board, Director

P.O. Box 30998 SMB

725 Britannia Drive

Grand Cayman

Cayman Islands, BWI

(345) 945-5725

July 13, 1941

President

INPUT

14900 Conference Centre Drive, Suite 225

Chantilly, VA 20151

(703) 378-8740

**Patricia Cunningham**

Address:

Telephone:

Birth Date:

Occupation:

Secretary, Director

P.O. Box 30998 SMB

725 Britannia Drive

Grand Cayman

Cayman Islands, BWI

(345) 945-5725

February 15, 1945

Vice President

INPUT

14900 Conference Centre Drive, Suite 225

Chantilly, VA 20151

(703) 378-8740

**Kevin Plexico**

Address:

Telephone:

Birth Date:

Occupation:

Director (Since 11/99),

Vice President (Since 1/98), Executive Vice President

(Since 8/00)

43983 Lords Valley Terrace

Ashburn, VA 20147

(703) 858-0565

May 8, 1970

Executive Vice President

INPUT

14900 Conference Centre Drive, Suite 225

Chantilly, VA 20151

(703) 378-8740



**William H. Bryant**

Occupation:

Telephone

Director, INPUT

Attorney

Bryant, Clohan, Eller, Maines & Baruh, LLP

550 Hamilton Avenue, Suite 220

Palo Alto, Ca. 94301

(650)-324-1606

**David Heineman**

Occupation:

Telephone

Director, INPUT (Since 2/00)

President

Heinemann & Co, Inc.

250 W 57<sup>th</sup> St. Suite 624

New York, NY 10107

(212) 586-0101



**INPUT – A NEVADA CORPORATION**

**COMPANY OFFICERS**

**SEPTEMBER 2000**

**Peter A. Cunningham** Chairman of the Board, Director and Treasurer.  
Occupation: President  
INPUT  
14900 Conference Centre Drive, Suite 225  
Chantilly, VA 20151  
(703) 378-8740

Address: P.O. Box 30998 SMB  
725 Britannia Drive  
Grand Cayman  
Cayman Islands, BWI

Telephone: (345) 945-5725

Birth Date: July 13, 1941

**Patricia Cunningham** Director and Secretary  
Occupation: Corporate Secretary  
INPUT  
14900 Conference Centre Drive, Suite 225  
Chantilly, VA 20151  
(703) 378-8740

Address: P.O. Box 30998 SMB  
725 Britannia Drive  
Grand Cayman  
Cayman Islands, BWI

Telephone: (345) 945-5725

Birth Date: February 15, 1945

**Kevin Plexico** Director (Elected 11/99)  
Occupation: Executive Vice President, (Elected 8/00)  
(VP: Elected 1/98)  
INPUT  
14900 Conference Centre Drive, Suite 225  
Chantilly, VA 20151  
(703) 378-8740

Address: 43983 Lords Valley Terrace  
Ashburn, VA 20147

Telephone: (703) 858-0565

Birth Date: May 8, 1970





**Albert Nekimken**  
Occupation:

Vice President (Elected 4/00)  
Manager Commercial Services  
INPUT  
14900 Conference Centre Drive, Suite 225  
Chantilly, VA 20151  
(703) 378-8740

Address:

2241 Richelieu Drive  
Vienna, VA 22128

Telephone:

(703) 642-1596

Birth Date:

7/21/44

**Frederick Smith**  
Occupation:

**TERMINATION 10/20/00**  
Executive Vice President (Elected 6/00)  
Executive Vice President of Sales  
INPUT  
14900 Conference Centre Drive, Suite 225  
Chantilly, VA 20151  
(703) 378-8740

Address:

11412 Fieldstone Lane  
Reston, VA 20191

Telephone:

(703) 391-7178

Birth Date:

May 18, 1945



**INPUT Consolidated**  
**FINANCIAL STATEMENTS**

Unaudited  
For the Period Ending December 31, 2000

Prepared @ August 12, 2001

CONFIDENTIAL

INPUT  
14900 Conference Center Drive, Suite 225  
Chantilly, VA 20151  
(703) 378-8740

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INPUT CONSOLIDATED ORDERS BY BUSINESS LINE

December 31, 2000

(Version (1) with Correct Allocation by Business Line)

Prepared: 8-Aug-01

	ACTUAL												ACTUAL	ORIG		Adj. In Bold @ 8/01	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AS OF DEC	PLAN @ 400	PRIOR YEAR		
(\$ 000s)																	
TOTAL MARKETING SERVICES				35,333									25,000	60,333	600,000	0	60,333.0
(4) JUN: Add \$35,333 Gobosh from EBS																	
MARKET RESEARCH																	
Commercial:																	(1) MAR: Add 20K Sterling Software
Electronic Business CEB	14,409	8,500	20,000	7,272	7,273								55,454				
Operational Services COS		14,500	40,600		14,500	7,200							78,600				
Market Forecasts CMF			117,000										117,000				
Vendor Analysis CVA		39,000	56,075										95,075				
Single Client Projects CYN	96,965	24,000	10,500		15,000		0			5,000	54,000	79,000	254,465			(2) AUG: Less 26K IBM	
Reports	4,500	9,400	0	1,500	1,500	17,000	8,500	10,299	7,500	3,450	2,200		66,645				
Agents							16,644	6,160		7,342			30,146				
Total Commercial	115,874	93,400	244,175	8,772	38,273	24,200	26,144	16,459	7,500	15,792	56,200	79,000	725,769	630,000	978,000	725,769.0	
Government:																	
Electronic Govt GEG	14,500	24,000		24,000	14,500	14,500	14,500	12,325		36,270	27,500	37,000	222,095				
PARs (IMPACT) DB GPD	50,000	64,625	66,000	65,000	55,750	70,000	90,625	117,500	102,500	91,104	149,583	190,000	1,115,887				
Agency Profiles GAI	17,500	28,000	24,500	30,000	35,000	30,000	23,750	37,500	20,000	39,917	43,333	88,500	416,000				
Single Client Projects GYN		25,000						54,000	23,872	27,700		5,250	135,622				
MyINPUT GMI										8,500	15,750	5,700	29,950				
Reports	7,000	11,000	12,000	18,000	2,500	8,500	5,000	3,500	8,500	8,500	11,000		95,500				
Total Government	89,000	152,625	102,500	137,000	110,750	123,000	133,675	224,625	154,672	214,991	236,166	337,450	2,016,854	2,000,000	1,146,000	2,016,854.0	
TOTAL MARKET RESEARCH	204,874	246,025	346,675	145,772	149,023	147,200	160,019	241,284	182,172	230,783	282,366	416,450	2,742,643	2,630,000	2,124,000		
TOTAL ELECTRONIC BUSINESS SERVICES	30,750			19,400			3,000			300			63,450	250,000	0	53,450.0	
(2) AUG: Less 7500 IT Div																	
(4) JUN: Reduce by \$35,333 for Gobosh to Mfg Svcs																	
MONTH TOTALS	204,874	248,025	377,425	145,772	149,023	201,933	180,019	244,284	182,472	230,783	262,366	441,450	2,856,426	3,480,000	2,124,000	2,856,426.0	
YTD TOTALS	204,874	450,899	828,324	974,096	1,123,119	1,325,052	1,486,071	1,729,355	1,891,827	2,122,810	2,414,976	2,858,426					



INPUT  
CONSOLIDATED BALANCE SHEET  
As of December 31st 2000

Prepared: 8/12/01

<u>ASSETS</u>	<u>12/31/00</u>	<u>12/31/99</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 178,913	212,694
Accounts receivable	493,523	517,609
Prepaid expenses	0	0
TOTAL CURRENT ASSETS	672,436	730,303
PROPERTY & EQUIPMENT:		
Furniture and fixtures	39,851	25,669
Office equipment	347,377	262,571
Leasehold improvements		74,042
	387,228	362,282
Accumulated depreciation	(328,572)	(280,867)
TOTAL PROPERTY & EQUIPMENT	58,656	81,415
DEPOSITS	31,260	27,066
	\$ 762,352	838,784

LIABILITIES AND NET CAPITAL DEFICIENCY

CURRENT LIABILITIES:		
Notes Payable	\$ 850,000	1,000,000
Accounts payable	53,545	121,953
Accrued liabilities	265,659	141,074
Obligations under capital leases	0	15,215
Income taxes payable	0	19,891
Deferred revenue	569,458	547,373
TOTAL CURRENT LIABILITIES	1,738,662	1,845,506

NET CAPITAL DEFICIENCY:

Common stock, no par value: 75,000,000 share authorized,	49,825	48,825
Accumulated deficit	(1,026,135)	(1,055,547)
TOTAL NET CAPITAL DEFICIENCY	(976,310)	(1,006,722)
	\$ 762,352	838,784





**INPUT**  
**CONSOLIDATED INCOME STATEMENT**  
**For the Year Ended December 31, 2000**

Prepared : 8/12/01

	<u>2000</u>	<u>1999</u>
REVENUES	\$ 2,786,114	3,111,216
EXPENSES:		
Salaries, wages, fringe benefits and consulting	1,894,529	1,326,909
Facilities, communications and other costs <sup>(1)</sup>	718,037	970,323
INCOME (LOSS) from operations	\$ 173,548	813,984
Loss (Gain) from Discontinued Operations	0	158,995 <sup>(2)</sup>
Interest & other income (expenses)	96,530	13,527
Income (loss) before taxes & Depr	\$ <u>77,018</u>	<u>668,516</u>
Depreciation	47,605	47,705
Tax provision	0	1,000
NET INCOME (LOSS)	\$ <u><u>29,413</u></u>	<u><u>619,811</u></u>

<sup>(1)</sup> Includes Depreciation/Amortization of \$47605

<sup>(2)</sup> Foreign Subsidiaries closed in 1999



<b>INPUT</b> <b>CONSOLIDATED INCOME STATEMENT</b> <b>As of December 31st, 2000</b>					
Date Prepared:			8/8/01		
ALL FIGURES IN US\$	\$ INPUT-GMBH Germany	\$ INPUT US	\$ INPUT COMBINED	<u>US ONLY</u>	\$ <u>VARIANCE for US FROM 5/8/01</u>
Revenues	0	2,786,114	2,786,114	2,811,012	(24,898) Canc IBM (\$25.0K) + IT Direct (\$7.5K) SITA (\$14.5) Counted Twice Addit Non-Op Income of \$22K
Expenses:					
Salaries, wages, fringe benefits and consulting	0	1,894,530	1,894,530	1,849,608	44,922 Hawaii Bonus Overaccrued plus Reverse Hawaii Accrual
Facilities, communications and other costs	(16,030)	781,672	765,642	700,117	81,555 Deprec. Adj. from 1999 = (\$29K) Accounting
Income (Loss) from operations	16,030	109,912	125,942	261,287	
Interest & other income (expenses)	0	96,530	96,530	96,530	
Income (loss) before taxes	16,030	13,382	29,412	164,757	
Tax provision					
Net income (loss)	16,030	13,382	29,412	164,757	



<b>INPUT</b> <b>INCOME STATEMENT</b> From 1/1/2000 To 12/31/2000				
	USA	Prepared: Germany \$'s	8/8/01 TOTAL	Diff from 5/8/01 Version
<b>Revenues</b>				
Subs-CEB E-Business	93,906.73		93,906.73	
Subs-CMF Market Forecasts	145,636.18		145,636.18	
Subs-COS Operational Services	130,518.09		130,518.09	145 SITA Counted Twice
Subs-IVA Vendor Analysis	121,842.91		121,842.91	
Subs-GAI Federal	336,910.63		336,910.63	
Subs-GFE Electronic Government	207,011.56		207,011.56	
Subs-GFM Fed MyINPUT	16,668.18		16,668.18	
Subs-GFI Fed IMPACT Database	910,791.00		910,791.00	
Projects-CYN Commercial Custom	218,298.34		218,298.34	
Projects	110,783.00		110,783.00	
Projects-GFY Federal Custom	135,622.00		135,622.00	
Other Operational Income-CEB	6,000.00		6,000.00	
Other Operational Income - CMF	7,649.50		7,649.50	
Other Operational Income - COS	35,499.10		35,499.10	
Other Operational Income - COT	38,546.40		38,546.40	
Other Operational Income - CVA	6,300.00		6,300.00	
Other Operational Income-CYN	5,000.00		5,000.00	
Other Operational Income - GFE	95,500.00		95,500.00	
Reimbursed Costs	16,094.88		16,094.88	
Reimbursed Costs	1,668.54		1,668.54	
Reimbursed Costs	1,454.83		1,454.83	
Interest	3,469.60		3,469.60	
Other Non-Operational Income	144,412.07		144,412.07	
<b>Total Revenues</b>	<b>2,789,583.54</b>		<b>2,789,583.54</b>	2,786,113.94
<b>Gross Profit</b>	<b>2,789,583.54</b>		<b>2,789,583.54</b>	
<b>Expenses</b>				
Salaries	190,295.23		190,295.23	
Salaries	466,235.58		466,235.58	
Salaries	662,730.75		662,730.75	
Salaries Commissions/Incentive	7,331.27		7,331.27	
Salaries Commissions/Incentive	210,840.39		210,840.39	
Salaries Commissions/Incentive	27,209.94		27,209.94	
Payroll Taxes	11,909.45		11,909.45	
Payroll Taxes	32,283.72		32,283.72	
Payroll Taxes	41,779.25		41,779.25	
Health/Life/Disability/Benefit	45,450.15		45,450.15	
Health/Life/Disability/Benefit	4,444.72		4,444.72	
Health/Life/Disability/Benefit	58,566.49		58,566.49	
Retirement/Pension	10,304.08		10,304.08	
Worker's Compensation Ins.	5,251.71		5,251.71	
Outside Labor/Consultants	3,160.00		3,160.00	
Outside Labor/Consultants	31,191.40		31,191.40	
Outside Research/Int'view Cost	26.70		26.70	
Outside Research/Int'view Cost	226.85		226.85	
Outside Research/Int'view Cost	85,291.76	0.00	85,291.76	



**INPUT**  
**STATEMENT OF NET CAPITAL DEFICIENCY**  
 Years ended December 31, 2000 and 1999

Prepared: 8/12/01

	<u>Common stock</u>			
	<u>Number of shares issued and outstanding</u>	<u>Amount</u>	<u>Accumulated deficit</u>	<u>Net capital deficiency</u>
Balance at December 31, 1998	839,500	\$ 60,875	\$ (1,705,728)	\$ (1,644,853)
Issuance of common stock	0	0		0
Repurchase of common stock	(19,000)	(12,050)		(12,050)
Net adjustment from discontinued units			86,510	86,510
Net Income			<u>563,671</u>	<u>563,671</u>
Balance at December 31, 1999	<u>\$ 820,500</u>	<u>\$ 48,825</u>	<u>\$ (1,055,547)</u>	<u>\$ (1,006,722)</u>
Issuance of common stock				
Issuance of common stock	10,000	1,000		1,000
Accumulated translation adjustment for the year				
Net Income			<u>29,412</u>	<u>\$ 29,412</u>
Balance at December 31, 2000	<u>830,500</u>	<u>\$ 49,825</u>	<u>\$ (1,026,135)</u>	<u>\$ (976,310)</u>









	USA	Germany \$'s	TOTAL
Expenses (Cont)			
Travel Expenses	36,235.42		36,235.42
Travel Expenses	37,730.51		37,730.51
Travel Expenses	13,473.08		13,473.08
Recruiting and Training	5,686.44		5,686.44
Recruiting and Training	480.00		480.00
Recruiting and Training	3,497.50		3,497.50
IT Consulting	80.00		80.00
Telecommunications	62,842.27	185.05	63,027.32
Telecommunications	1,737.57		1,737.57
Telecommunications	1,303.44		1,303.44
Information Costs	8,807.44		8,807.44
Information Costs	718.68		718.68
Information Costs	6,711.85		6,711.85
Membership Dues	2,410.00		2,410.00
Advertising and Promotion	6,143.17		6,143.17
Supplies	11,042.50		11,042.50
Supplies	23,921.22		23,921.22
Supplies	32,067.10		32,067.10
Postage and Shipping	9,855.37		9,855.37
Postage and Shipping	1,476.11		1,476.11
Postage and Shipping	703.52		703.52
Printing and Copying	3,698.03		3,698.03
Printing and Copying	1,078.36		1,078.36
Printing and Copying	48.00		48.00
Other Admin	36,155.71		36,155.71
Other Admin	50.14		50.14
Equipment	7,018.14		7,018.14
Equipment	4,297.05		4,297.05
Depreciation	63,406.96		63,406.96
Repairs and Maintenance	13.00		13.00
Facilities Rent	145,316.90	19803.02	165,119.92
Property Taxes	10,515.61		10,515.61
Legal	17,818.37		17,818.37
Accounting	83,492.90		83,492.90
Other Services	7,244.30		7,244.30
Other Services	90.00		90.00
Business Insurance	-947.34		-947.34
Miscellaneous Expenses	59,384.26	-36017.86	23,366.40
Miscellaneous Expenses	2,721.02		2,721.02
Miscellaneous Expenses	4,230.90		4,230.90
Office Move - Chantilly	2,151.02		2,151.02
Interest Expense	100,000.00		100,000.00
Currency Exchange Gain/Loss	244.89		244.89
Bad Debt Expense	28,500.00		28,500.00
Provision for Income Taxes	6,800.00		6,800.00
Other Taxes	2,247.60		2,247.60
Other Taxes	524.00		524.00
Discontinued Operations	-1,085.21		-1,085.21
Discontinued Operations	18,471.08		18,471.08
Discontinued Operations	-4,049.83		-4,049.83
Office Moves	10,312.05		10,312.05
Commissions Japan	5,000.00		5,000.00
Total Expenses	2,776,200.54	-16,029.79	2,760,170.75
Net Income	\$13,363.00	16,029.79	\$29,412.79



INPUT		
CONSOLIDATED BALANCE SHEET		
As of December 31st, 2000		
	Prepared:	8/8/01
	12/31/00	12/31/99
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 178,913	212,694
Accounts receivable, net of allowance for doubtful accounts of \$ 1125 (\$1125 in 2000)	493,523	517,609
Prepaid expenses	0	0
TOTAL CURRENT ASSETS	672,436	730,303
PROPERTY & EQUIPMENT:		
Furniture and fixtures	39,851	25,669
Office equipment	347,377	262,571
Leasehold improvements	0	74,042
Accumulated depreciation	387,228	362,282
TOTAL PROPERTY & EQUIPMENT	(328,572)	(280,867)
	58,656	81,415
DEPOSITS		
	31,260	27,066
	\$ 762,352	838,784
<u>LIABILITIES AND NET CAPITAL DEFICIENCY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 850,000	121,953
Notes payable	53,545	1,000,000
Accrued liabilities	271,619	141,074
Obligations under capital leases	0	15,215
Income taxes payable	(5,960)	19,891
Deferred revenue	569,458	547,374
TOTAL CURRENT LIABILITIES	1,738,662	1,845,507
NET CAPITAL DEFICIENCY:		
Common stock, no par value: 75,000,000 share authorized,	49,825	48,825
Accumulated deficit	(1,026,135)	(1,055,548)
TOTAL NET CAPITAL DEFICIENCY	(976,310)	(1,006,723)
	\$ 762,352	838,784



<b>INPUT Corporation</b> <b>Balance Sheet Consolidation</b> <b>12/31/00</b>			
	<b>US \$</b> <b>Germany</b>	<b>US \$</b> <b>U.S.A.</b>	<b>US \$</b> <b>Combined</b>
<b>Assets</b>			
<i>Current</i>			
Cash	1,320.03	177,593.22	178,913.25
Billed AR Trade	0.00	429,415.06	429,415.06
Unbilled AR Trade	0.00	65,233.34	65,233.34
Employee A/R/Other	0.00	0.00	0.00
Allowance for DA	0.00	(1,124.93)	(1,124.93)
Prepays	0.00	0.00	0.00
<b>Total Current</b>	<b>1,320.03</b>	<b>671,116.69</b>	<b>672,436.72</b>
Deposits	0.00	31,260.00	31,260.00
Fixtures/Fittings	0.00	39,850.68	39,850.68
Office Equipment	0.00	273,335.41	273,335.41
Computer software	0.00	74,041.60	74,041.60
Leasehold impr'ments	0.00	0.00	0.00
<b>Total PP&amp;E</b>	<b>0.00</b>	<b>387,227.69</b>	<b>387,227.69</b>
Depreciation	0.00	328,571.99	328,571.99
<b>Net PP&amp;E</b>	<b>0.00</b>	<b>58,655.70</b>	<b>58,655.70</b>
<b>Total Assets</b>	<b>1,320.03</b>	<b>761,032.39</b>	<b>762,352.42</b>
<b>Liabilities/Capital</b>	<b>US \$</b> <b>Germany</b>	<b>US \$</b> <b>U.S.A.</b>	<b>US \$</b> <b>Combined</b>
<i>Current</i>			
AP Trade	0.00	53,545.15	53,545.15
Notes payable	0.00	0.00	0.00
Accrued Sal & Vac	0.00	83,904.71	83,904.71
Sales & PR Tax	0.00	0.00	0.00
Misc Accruals	0.00	187,714.06	187,714.06
Inc. Tax Payable	0.00	(5,960.00)	(5,960.00)
Deferred Revenue	0.00	569,458.02	569,458.02
<b>Total Current Liab</b>	<b>0.00</b>	<b>888,661.94</b>	<b>888,661.94</b>
<i>Long Term Liabilities</i>			
Notes Payable	0.00	850,000.00	850,000.00
<i>Non Current</i>			
Contracts Payable	0.00	0.00	0.00
<b>Total Liabilities</b>	<b>0.00</b>	<b>1,738,661.94</b>	<b>1,738,661.94</b>
<i>Shareholders Equity</i>			
Capital Stock	0.00	49,825.11	49,825.11
Retained Earnings (PY)	(14,709.76)	(1,040,837.66)	(1,055,547.42)
<b>FY 2000</b>	<b>16,029.79</b>	<b>13,383.00</b>	<b>29,412.79</b>
<b>Total Liabilities&amp;Capital</b>	<b>1,320.03</b>	<b>761,032.39</b>	<b>762,352.42</b>





INPUT			
US Balance Sheet			
As Of Date 12/31/2000			
		Prepared:	8/8/01
<b>Current Assets</b>			
	Bank of America-Main	177,593.22	
	Accounts Receivables	429,415.06	
	Provision for Doubtful Account	-1,124.93	
	Unbilled A/R-Trade	65,233.34	
Total	Current Assets		671,116.69
<b>Fixed Assets</b>			
	Furniture & Fixtures-VA	39,850.68	
	Office Equipment-VA	233,748.41	
	Office Equipment-Corp.	39,587.00	
	Computer Software-VA	71,473.60	
	Computer Software-Corp.	2,568.00	
	A/D-Furniture & Fixtures-VA	-27,560.60	
	A/D-Office Equipment-VA	-200,584.00	
	A/D-Office Equipment-Corp.	-28,917.97	
	A/D-Computer Software-VA	-69,005.00	
	A/D-Computer Software-Corp.	-2,504.42	
Total	Fixed Assets		58,655.70
<b>Other Assets</b>			
	Deposit Accounts	31,260.00	
Total	Other Assets		31,260.00
Total	Assets		<u>\$761,032.39</u>
<b>Liabilities and Capital</b>			
<b>Current Liabilities</b>			
	Accounts Payables	168,545.15	
	Accrued Income Taxes	-5,960.00	
	Accrued Salaries	30,757.52	
	Accrued Commissions	44,920.94	
	Accrued Vacation	8,226.25	
	Accrued Miscellaneous	72,714.06	
	Def Rev-CEB Electronic Busines	5,301.55	
	Def Rev-COS Operational Svcs	5,140.91	
	Def Rev-CMF Market Forecasts	8,181.82	
	Def Rev-CVA Vendor Analysis	5,209.29	
	Def Rev-GFE Electronic Governm	90,219.43	
	Def Rev-GFI Federal IMPACT	313,703.22	
	Def Rev-GFM Federal MyINPUT	9,006.82	
	Def Rev-GFA Federal Agency Pro	132,694.88	
Total	Current Liabilities		884,912.28
<b>Long Term Liabilities</b>			
	Notes Payables	850,000.00	
Total	Long Term Liabilities		850,000.00
Total	Total Liabilities		1,734,912.28
<b>Capital</b>			
	Prior Year Retained Earnings	-1,040,837.66	
	Capital Stock	49,825.11	
	Net Income	13,383.00	
Total	Capital		-973,879.89
Total	Liabilities and Capital		<u>\$761,032.39</u>



<b>INPUT GmbH</b> <b>Balance Sheet</b> <b>December 31, 1999 - December 31, 2000</b>							
	1999 DM Germany	2000 DM Germany	DM Germany	DM Germany	DM Germany	DM Germany	Exchange Rate 0.5555 \$1.00 TOTAL \$
<b>Assets</b>							
<b>Current</b>							
Cash	11,920.64	26247.20	38167.84	(35,791.55)	0.00	2,376.29	1320.03
Billed AR Trade	14,778.40	-14778.40	0.00			0.00	0
Prepays	0.00						
<b>Total Current</b>	26,699.04	11468.80	38167.84	-35791.55	0.00	2,376.29	1320.03
Interco AR							
Deposits							
<b>Total Assets</b>	26,699.04	11468.80	38167.84	-35791.55	0.00	2,376.29	1,320.03
<b>Liabilities/SHE</b>							
Inter co us		11468.80	11468.80	-11468.8		0.00	0.00
AP Trade	49,179.25		49179.25		-49179.25	0.00	0.00
Sales & PR Tax	4,000.00		4000.00		-4000	0.00	0.00
<b>Total Current Liab</b>	53,179.25	11,468.80	64648.05	(11,468.80)	(53,179.25)	0.00	0.00
<b>Shareholders Equity</b>							
Common Stock							
Retained Earnings (PY)	(26,480.21)		-26480.21			(26,480.21)	-14709.76
FY 2000 RE				-24322.75	53179.25	28856.50	16029.79
<b>Total Liabilities/SHE</b>	26,699.04	11468.80	38167.84	-35791.55	0.00	2376.29	1320.03

Write off prior yrs liabilities  
(AP % Sales Tax)

CASH FROM USA

-11468.80

